United Nations

Financial report and audited financial statements

for the 12-month period from 1 July 2005 to 30 June 2006

Report of the Board of Auditors

Volume II
United Nations peacekeeping operations

General Assembly
Official Records
Sixty-first Session
Supplement No. 5 (A/61/5)

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United Nations • New York, 2007

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

ISSN 0257-0815

23 February 2007

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Abbreviations

ICSC	International Civil Service Commission
IMIS	Integrated Management Information System
MINUB	United Nations Mission in Burundi
MINUCI	United Nations Mission in Côte d'Ivoire
MINUGUA	United Nations Verification Mission in Guatemala
MINURCA	United Nations Mission in the Central African Republic
MINURSO	United Nations Mission for the Referendum in Western Sahara
MINUSTAH	United Nations Stabilization Mission in Haiti
MIPONUH	United Nations Civilian Police Mission in Haiti
MONUA	United Nations Observer Mission in Angola
MONUC	United Nations Organization Mission in the Democratic Republic of the Congo
ONUB	United Nations Operation in Burundi
ONUC	United Nations Operation in the Congo
ONUCA	United Nations Observer Group in Central America
ONUMOZ	United Nations Operation in Mozambique
ONUSAL	United Nations Observer Mission in El Salvador
UNAMET	United Nations Mission in East Timor
UNAMIC	United Nations Advance Mission in Cambodia
UNAMIR	United Nations Assistance Mission for Rwanda
UNAMIS	United Nations Advance Mission in the Sudan
UNAMSIL	United Nations Mission in Sierra Leone
UNAVEM	United Nations Angola Verification Mission
UNDOF	United Nations Disengagement Observer Force
UNEF	United Nations Emergency Force
UNICEF	United Nations Children's Fund
UNFICYP	United Nations Peacekeeping Force in Cyprus
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIFIL	United Nations Interim Force in Lebanon
UNITAR	United Nations Institute for Training and Research
UNIIMOG	United Nations Iran-Iraq Military Observer Group
UNIKOM	United Nations Iraq-Kuwait Observation Mission
UNLB	United Nations Logistics Base at Brindisi, Italy

UNIOSIL	**United Nations Integrated Office in Sierra Leone**
UNMEE	**United Nations Mission in Ethiopia and Eritrea**
UNMIBH	**United Nations Mission in Bosnia and Herzegovina**
UNMIH	**United Nations Mission in Haiti**
UNMIK	**United Nations Interim Administration Mission in Kosovo**
UNMIL	**United Nations Mission in Liberia**
UNMIS	**United Nations Mission in the Sudan**
UNMISET	**United Nations Mission of Support in East Timor**
UNMIT	**United Nations Integrated Mission in Timor-Leste**
UNMLT	**United Nations Military Liaison Team in Cambodia**
UNMOGIP	**United Nations Military Observer Group in India and Pakistan**
UNMOT	**United Nations Mission of Observers in Tajikistan**
UNOCI	**United Nations Operation in Côte d'Ivoire**
UNOMIG	**United Nations Observer Mission in Georgia**
UNOMIL	**United Nations Observer Mission in Liberia**
UNOMSIL	**United Nations Observer Mission in Sierra Leone**
UNOMUR	**United Nations Observer Mission Uganda-Rwanda**
UNOSOM	**United Nations Operation in Somalia**
UNOTIL	**United Nations Office in Timor-Leste**
UNPF	**United Nations Peace Forces**
UNPREDEP	**United Nations Preventive Deployment Force**
UNPROFOR	**United Nations Protection Force**
UNSMIH	**United Nations Support Mission in Haiti**
UNTAC	**United Nations Transitional Authority in Cambodia**
UNTAES	**United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium**
UNTAET	**United Nations Transitional Administration in East Timor**
UNTAG	**United Nations Transition Assistance Group**
UNTMIH	**United Nations Transition Mission in Haiti**
UNTSO	**United Nations Truce Supervision Organization**

Letters of transmittal

29 September 2006

Dear Mr. Chairman,

In accordance with financial regulation 6.5, I have the honour to submit the accounts of the United Nations peacekeeping operations for the 12-month period from 1 July 2005 to 30 June 2006, which I hereby approve. The financial statements have been completed and certified as correct by the Controller.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

(Signed) Kofi A. Annan

Mr. Guillermo N. Carague
Chairman
United Nations Board of Auditors
New York

21 February 2007

I have the honour to transmit to you the financial statements of the United Nations Peacekeeping Operations for the financial period ended 30 June 2006, which were submitted by the Secretary-General. These statements have been examined by the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts, including the audit opinion thereon.

Accept, Sir, the assurances of my highest consideration.

***(Signed)* Philippe Séguin**
First President of the Court of Accounts of France
and Chairman
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Chapter I

Financial report on the United Nations peacekeeping operations for the period from 1 July 2005 to 30 June 2006

A. Introduction

1. The Secretary-General has the honour to submit his financial report on the accounts of the United Nations peacekeeping operations for the period from 1 July 2005 to 30 June 2006. The present report highlights the financial results for the period ended 30 June 2006.

2. The detailed reports of the Secretary-General on proposals for reform entitled "Investing in the United Nations: for a stronger organization worldwide", have been provided to the General Assembly, and include those relating to governance, oversight and accountability (A/60/846/Add.6 and Add.7). In order to avoid duplication, these matters are not repeated in the financial report. The Secretary-General's reports are being considered by the General Assembly during its sixty-first session.

B. Financial overview

3. Table I.1 below provides a financial overview of peacekeeping operations.

Table I.1
Financial highlights

	2004/05	*2005/06*	*Increase (decrease)*
	(Millions of United States dollars)		*(percentage)*
Total assessments	**4 393.9**	**4 919.7**	**12.0**
Unpaid assessments			
Active missions	1 105.6	730.3	(34.0)
Closed missions	537.7	527.0	(2.0)
Total expenditures	**4 074.3**	**4 582.8**	**12.5**
Liquidity: available cash less liabilities			
Active missions	(458.4)	223.4	148.7
Closed missions	32.3	22.6	(30.0)

4. Fiscal 2006 assessments and expenditures rose by 12 per cent and 12.5 per cent, respectively. Unpaid assessments for active missions declined by 34 per cent, improving liquidity.

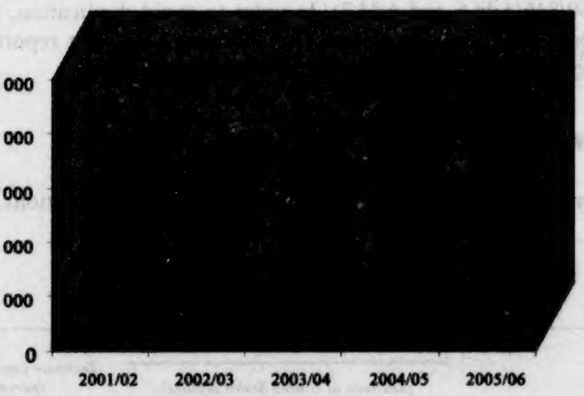
C. Assessments

5. Total assessments rose by 12.0 per cent, from $4,393.9 million in the previous fiscal year to $4,919.7 million in the current fiscal year. The increase was attributable largely to the full-year impact of the assessments for UNMIS as well as the increases in

MINUSTAH, MONUC and UNOCI. These increases were offset by decreases in assessments for UNAMSIL and UNMISET, which were in the final liquidation phase, as well as decreases in ONUB, UNMEE, UNMIK and UNMIL as a result of scaled-down operations.

6. Figure I.1 below illustrates the trend in the assessments for peacekeeping operations for the fiscal year 2005/06 and the four preceding fiscal years.

Figure I.1
Assessments for United Nations peacekeeping operations
(Millions of United States dollars)



D. Status of unpaid assessments

7. The unpaid assessments pertaining to active peacekeeping missions decreased significantly by 34.0 per cent, from $1,105.6 million at the end of 2004/05 to $730.3 million at the end of the current fiscal year. However, there was no significant change with respect to unpaid assessments of closed missions.

8. Figure I.2 illustrates the trend in the unpaid assessments for peacekeeping operations for 2005/06 and the four preceding fiscal years.

Figure I.2
Unpaid assessments for United Nations peacekeeping operations
(Millions of United States dollars)

9. Table I.2 provides the status of unpaid assessed contributions for each of the United Nations peacekeeping operations as at the end of the current period and the four preceding financial periods.

Table I.2
Unpaid assessed contributions as at 30 June 2006
(Millions of United States dollars)

	30 June 2002	*30 June 2003*	*30 June 2004*	*30 June 2005*	*30 June 2006*
Active missions[a]					
UNFICYP	13.7	13.7	14.9	14.2	16.1
UNDOF/UNEF	15.4	14.1	15.9	12.0	16.6
UNIFIL	84.3	71.8	62.8	51.5	60.5
MINURSO	48.5	41.6	42.5	43.6	48.8
UNOMIG	6.5	8.0	8.2	7.6	12.2
UNAMSIL/UNOMSIL	141.1	93.7	108.6	54.3	14.8
UNMIK	48.7	51.4	98.4	77.6	51.0
MONUC	94.3	56.1	61.7	279.0	124.0
UNMISET	110.7	74.1	80.5	55.4	36.8
UNMEE	33.4	27.7	25.1	36.0	22.4
UNMIL	—	—	245.1	51.5	57.0
UNOCI	—	—	95.8	94.2	41.4
MINUSTAH	—	—	49.0	76.5	49.9
ONUB	—	—	49.6	90.3	31.1
UNMIS	—	—	—	161.9	147.7
Subtotal	**596.6**	**452.2**	**958.1**	**1 105.6**	**730.3**

	30 June 2002	*30 June 2003*	*30 June 2004*	*30 June 2005*	*30 June 2006*
Closed missions[a]					
UNIKOM	12.2	9.6	5.4	4.7	0.8
UNMIBH	53.4	46.5	37.6	35.8	35.5
UNMOT	1.5	0.4	0.1	—	—
UNSMIH/UNTMIH/MIPONUH	19.8	19.8	19.5	19.5	19.5
MINURCA	36.0	36.0	35.7	35.6	35.6
MONUA/UNAVEM	51.6	43.4	36.4	35.9	35.8
UNPREDEP	3.6	2.6	1.4	1.3	1.3
UNTAES	14.4	12.3	9.4	9.1	9.0
UNOMIL	3.5	1.5	0.1	0.1	0.1
UNPF	192.0	155.2	151.0	149.5	149.4
MINUGUA	0.1	0.2	0.2	0.2	0.1
UNMIH	2.0	1.9	0.6	0.2	0.2
UNAMIR/UNOMUR	19.4	15.3	10.5	7.6	1.7
ONUSAL	2.8	2.8	2.7	2.1	2.1
ONUMOZ	18.8	18.7	18.7	18.3	18.2
UNOSOM	61.4	61.2	60.4	59.5	59.4
UNMOT	—	—	—	—	—
UNTAC	43.1	42.8	42.7	41.8	41.8
UNTAG	0.1	0.1	0.1	—	—
UNIIMOG	0.1	—	—	—	—
UNEF (1956)	42.6	42.6	42.6	42.6	42.6
ONUC	73.9	73.9	73.9	73.9	73.9
Subtotal	**652.3**	**586.8**	**549.0**	**537.7**	**527.0**
UNLB (strategic deployment stocks)	—	38.5	13.6	13.6	13.6
Total	**1 248.9**	**1 077.5**	**1 520.7**	**1 656.9**	**1 270.9**

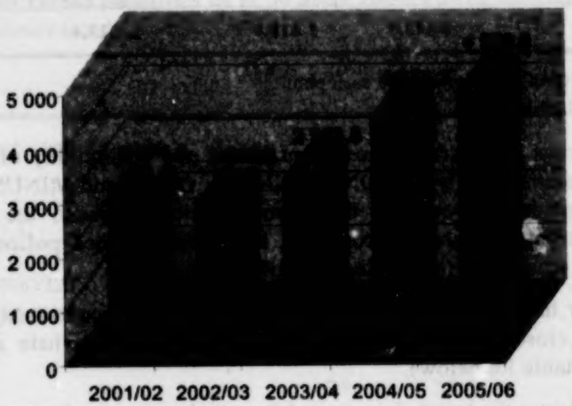
[a] Classification of active and closed missions is as at 30 June 2006; prior years have been reclassified accordingly.

E. Expenditures

10. Expenditures for the current fiscal year rose by 12.5 per cent, to $4,582.8 million from $4,074.3 million in the previous fiscal year. The overall increase in expenditures was in line with increases in assessments. The net increase was mainly attributable to the full-year impact of UNMIS and the expansion of MINUSTAH, MONUC and UNOCI, which was offset by the closure of UNAMSIL and UNMISET and the scaled-down operations in ONUB, UNMEE, UNMIK and UNMIL.

11. Figure I.3 illustrates the trend in total expenditures for all peacekeeping operations for the fiscal year 2005/06 and the four preceding fiscal years.

Figure I.3
Expenditures for United Nations peacekeeping operations
(Millions of United States dollars)



F. Liquidity: available cash versus liabilities

1. Active missions

12. Table I.3 summarizes the available cash and liabilities for each active peacekeeping mission as a measure of liquidity, and provides a comparison to fiscal year 2004/05.

Table I.3
Available cash versus liabilities as at 30 June 2006: active missions
(Millions of United States dollars)

	Available cash[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) (1)-(2)*	*Excess/(shortfall) 30 June 2005*
UNFICYP	8.6	8.8	(0.2)	1.4
UNDOF/UNEF	23.8	14.9	8.9	9.9
UNIFIL	50.5	32.0	18.5	20.3
MINURSO	2.7	21.4	(18.7)	(16.6)
UNOMIG	2.7	4.5	(1.8)	(0.3)
UNAMSIL/UNOMSIL	205.0	78.7	126.3	46.0
UNMIK	5.8	41.9	(36.1)	(64.8)
MONUC	331.8	330.1	1.7	(183.4)
UNMISET	19.8	22.7	(2.9)	(38.0)
UNMEE	46.3	37.8	8.5	(5.6)
UNMIL	219.7	216.7	3.0	53.2
UNOCI	115.3	108.5	6.8	(38.4)

	Available cash[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall)* *(1)-(2)*	*Excess/(shortfall)* *30 June 2005*
MINUSTAH	133.5	133.7	(0.2)	(73.6)
ONUB	120.4	53.3	67.1	(63.5)
UNMIS	356.4	313.9	42.5	(105.0)
Total	**1 642.3**	**1 418.9**	**223.4**	**(458.4)**

[a] Sum of cash and term deposits and the cash pool.

[b] Represents total liabilities.

13. Table I.3 shows a marked improvement in the overall liquidity of the active peacekeeping missions, mainly in MONUC, UNMIS, ONUB and MINUSTAH. The positive cash position has enabled the Administration to make the scheduled payments to the troop-contributing countries for troops, formed police units and contingent-owned equipment (see table I.4 below).

14. On the other hand, MINURSO, UNMIK and UNOMIG continued to require borrowings from closed missions in order to meet their immediate operational requirements (see table I.6 below).

15. Table I.4 indicates the latest claim period for which payments for troops, formed police units and contingent-owned equipment had been made by 30 June 2006.

Table I.4

Status of payments for troops, formed police units and contingent-owned equipment as at 30 June 2006

	Troops and formed police unit paid up to	*Contingent-owned equipment paid up to*
UNFICYP	April 2006	March 2006
UNDOF/UNEF	April 2006	March 2006
UNIFIL	April 2006	March 2006
MINURSO	March 2002	December 2001
UNOMIG	Not applicable	December 2004
UNAMSIL/UNOMSIL[a]	December 2005	December 2005
UNMIK	December 2004	June 2004
MONUC	April 2006	March 2006
UNMISET[b]	June 2005	June 2005
UNMEE	April 2006	March 2006
UNMIL	April 2006	March 2006
UNOCI	April 2006	March 2006
MINUSTAH	April 2006	March 2006
ONUB	April 2006	March 2006
UNMIS	April 2006	March 2006

[a] All troops were repatriated by December 2005.

[b] All troops were repatriated by June 2005.

2. Closed missions

16. Table I.5 summarizes cash available and total liabilities for all closed missions. There has been no marked change from the previous period.

Table I.5

Available cash versus liabilities as at 30 June 2006: closed missions

(Millions of United States dollars)

	Available cash[a] *(1)*	*Liabilities*[b] *(2)*	*Excess/(shortfall) (1)-(2)*	*Excess/(shortfall) 30 June 2005*
Mission with cash surpluses				
UNIKOM	44.4	38.8	5.6	41.7
UNMIBH	18.9	7.2	11.7	10.4
UNMOT	5.0	2.5	2.5	2.3
MONUA/UNAVEM	32.2	10.6	21.6	21.6
UNPREDEP	16.5	7.6	8.8	8.3
UNTAES	23.2	11.2	12.0	13.2
UNOMIL	7.9	3.8	4.1	4.3
UNPF	85.2	41.0[c]	44.2	27.3
UNMIH	45.6	29.4	16.2	15.1
UNAMIR/UNOMIR	26.9	4.3	22.6	16.0
ONUSAL	4.9	3.6	1.3	1.1
UNMLT	0.2	0.1	0.1	0.1
UNTAG	19.7	16.6	3.1	2.4
UNIIMOG	4.5	—	4.5	4.3
Subtotal	**335.1**	**176.8**	**158.3**	**168.1**
Mission with cash deficits				
UNSMIH/UNTMIH/MIPONUH	2.0	9.5	(7.5)	(7.6)
MINURCA	0.1	23.9	(23.9)	(23.9)
MINUGUA	—	0.2	(0.2)	(0.1)
ONUMOZ	0.7	1.3	(0.6)	(0.9)
UNOSOM	2.9	19.7	(16.8)	(17.3)
UNTAC	0.5	40.9	(40.3)	(40.8)
UNEF (1956)	—	43.2	(43.2)	(42.1)
ONUC	—	46.8	(46.8)	(46.8)
Subtotal	**6.1**	**185.5**	**(179.3)**	**(179.5)**
Total	**341.2**	**362.2**	**(21.0)**	**(11.4)**

[a] Sum of cash and term deposits and the cash pool.

[b] Total liabilities, including surplus to be transferred from UNPF and UNMIH of $29.6 million and $14.1 million, respectively.

[c] Excludes deferred credits of $127.4 million, being expenditures reimbursable by Member States.

17. Closed missions with cash surpluses continue to be the only available source of lending to active peacekeeping missions. During the current period, UNPF provided loans amounting to $44.5 million to MINURSO ($12.5 million), UNMIK ($26.0 million) and UNOMIG ($6.0 million). Total loans outstanding as at 30 June 2006 amounted to $23.6 million. Details of the loans and repayments are shown in table I.6.

Table I.6
Loans from closed missions
(Millions of United States dollars)

Loan to	*Loan from*	*Opening balance, 1 July 2005*	*Loan amount*	*Amount repaid*	*Closing balance, 30 June 2006*	*Month loaned*	*Month repaid*
MINURCA	UNMIH	3.2	—	—	3.2	August 1999	
UNSMIH	UNMIH	9.4	—	—	9.4	August 1999	
MINURSO	UNPF	4.0	—	4.0	—	February 2004	December 2005
MINURSO	UNPF	2.5	—	2.5	—	May 2005	March 2006
MINURSO	UNPF	2.5	—	2.5	—	June 2005	March 2006
MINURSO	UNPF	—	2.5	—	2.5	July 2005	
MINURSO	UNPF	—	5.0	—	5.0	November 2005	
MINURSO	UNPF	—	1.5	1.5	—	February 2006	March 2006
MINURSO	UNPF	—	2.0	—	2.0	May 2006	
MINURSO	UNPF	—	1.5	—	1.5	June 2006	
UNMIK	UNPF	20.0	—	20.0	—	September 2005	September 2005
UNMIK	UNPF	—	16.0	16.0	—	July 2005	September 2005
UNMIK	UNPF	—	10.0	10.0	—	August 2005	September 2005
UNOMIG	UNPF	—	6.0	5.0	1.0	September 2005	January 2006
UNOMIG	UNPF	—	—	1.0	(1.0)	September 2005	April 2006
Total		**41.6**	**44.5**	**62.5**	**23.6**		

G. Peacekeeping Reserve Fund

18. There was no borrowing from the Peacekeeping Reserve Fund during 2005/06. As at 30 June 2006, the Fund had reserves and fund balance of $157.1 million. Under the terms of General Assembly resolution 60/268, the excess over the authorized level of the Fund will be applied to the net requirements of support account for peacekeeping operations for fiscal 2006/07. This will be further considered by the General Assembly at its sixty-first session.

H. Support account for peacekeeping operations

19. Total expenditures rose by 15 per cent ($18.0 million), from $118.0 million reported in the previous period to $136.0 million in the current period. The increase was due to higher expenditures for personnel and operational requirements.

I. United Nations Logistics Base at Brindisi, Italy

20. UNLB manages, inter alia, surplus assets from closed or downsized missions. It also maintains mission start-up kits and strategic deployment stocks.

21. Strategic deployment stocks with an estimated value of $30.6 million were shipped to various peacekeeping missions during 2005/06. Expenditures for replenishment of strategic deployment stocks amounted to $47.8 million, including for replenishment of strategic deployment stocks shipped in the previous period.

22. During 2005/06 there was no marked change in non-strategic deployment stocks related activities undertaken by UNLB.

Annex

Supplementary information

1. The present annex provides supplementary information that the Secretary-General is required to report.

Write-off of losses of cash and receivables

2. In accordance with financial rule 106.8, losses of cash and receivables amounting to $63,660 were written off during the period ended 30 June 2006. A summary statement of losses was provided to the Board of Auditors in compliance with financial rule 106.8.

Write-off of losses of property

3. In accordance with financial rule 106.9, property with an original cost of $4,361,367 was written off during the period ended 30 June 2006. The breakdown was as follows (in United States dollars):

	Original cost
Damages/accidents	2 167 797
Losses/thefts	1 266 384
Faulty equipment	597 838
Inventory discrepancies and other	329 348
Total	**4 361 367**

4. The write-offs bring the recorded balances of properties to the same levels as those shown in the property records for the actual quantities on hand.

5. The original cost of all non-expendable property on hand as at 30 June 2006 was $1,218,333,000, as also reported in note 12 to the financial statements. A summary statement showing the values of non-expendable equipment as well as property write-offs was provided to the Board of Auditors in accordance with financial rule 106.9.

Chapter II

Report of the Board of Auditors

Summary

The Board of Auditors has audited the United Nations peacekeeping operations for the financial period ended 30 June 2006. The list of missions audited is reflected in annex I to the present chapter. The audit at Headquarters included the Peacekeeping Reserve Fund and the support account for peacekeeping operations and 22 completed missions.

The Board also addressed special requests from the Advisory Committee on Administrative and Budgetary Questions and the General Assembly. In addition to the audit of the accounts and financial statements for the financial period ended 30 June 2006, the Board also carried out reviews of peacekeeping operations under financial regulation 7.5.

The Board issued an unqualified audit opinion on the financial statements for the United Nations peacekeeping operations for the financial period ended 30 June 2006, as reflected in chapter III, with emphases of matters.

Implementation of previous recommendations

As requested by the Advisory Committee on Administrative and Budgetary Questions in paragraph 8 of its report on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations (A/59/736), the Board evaluated the ageing of its previous recommendations that had not yet been fully implemented and has indicated the financial period in which such recommendations were first made in annex II to the present chapter. Of a total of 72 recommendations, 25 (35 per cent) had been implemented, while 44 (61 per cent) were under implementation and 3 (4 per cent) had not been implemented. Of the 44 recommendations not yet fully implemented, 22 (50 per cent) relate to the 2004/05 period; 16 (36 per cent) to 2003/04; 4 (10 per cent) to 2002/03; 1 (2 per cent) to 2001/02; and 1 (2 per cent) to 2000/01.

Coordination among oversight bodies

The Board continually coordinates with the Office of Internal Oversight Services, and experts in the planning of its audits in order to avoid duplication of effort. Accordingly, the Board considered the scope and results of the work of internal audit.

Financial overview for the financial period ended 30 June 2006

Total income stood at $5.1 billion ($4.5 billion in 2004/05) while total expenditure totalled $4.6 billion ($4.1 billion in 2004/05). Of the increase in total income, 79 per cent was attributable to assessed contributions. The 12 per cent increase in expenditure was brought about by the expanded operations of three missions, namely: UNMIS, UNOCI and MINUSTAH.

Assessed contributions outstanding for the financial year ended 30 June 2006 decreased by 23.3 per cent, from $1.66 billion (2004/05) to $1.27 billion. This

improved the level of cash available of $2.19 billion ($1.74 billion in 2004/05) to settle liabilities of $1.92 billion ($2.06 billion in 2004/05). An amount of $706.3 million of the gross outstanding contributions of $1.27 billion (56 per cent) had been outstanding for over one year, of which $165.7 million related to active missions, $527.1 million to completed missions and $13.6 million to special-purpose accounts.

Overall findings

The key findings arising from the Board's audit are shown below:

Procurement and contract management

(a) The Procurement Service was unable to influence the geographical distribution of contracts;

(b) Mandatory registration documents were still not supplied before suppliers were registered in the roster of UNMIK;

(c) Vendor performance evaluations by MINURSO, UNMIS and UNLB had not been submitted to the Procurement Office;

(d) At United Nations Headquarters and UNFICYP, adequate performance bonds had not been obtained from contractors;

(e) Inadequate procurement planning was observed in UNMIK, MINUSTAH and UNOCI, and in two offices at United Nations Headquarters;

(f) The training needs of procurement officers at MINUSTAH and UNMIK were not identified;

(g) The declarations of independence by procurement staff as evidence of considerations of their independence were not signed in UNMIL;

(h) Ex post facto submissions by MINUSTAH to the Headquarters Committee on Contracts were still noted;

(i) At UNMIL, there were lengthy lead times for approval of contract submissions by the Headquarters Committee on Contracts;

(j) Purchases of goods at UNMOGIP and UNOCI were approved by procurement officials without adequate authority;

(k) Deliveries of services by suppliers in MINUSTAH and ONUB were made without signed contracts.

Air operations

While there was a decrease of total air transportation budget due to the end of mandate of UNMISET and UNAMSIL, air operations in missions significantly increased compared with the previous period as a result of the increased operations at UNMIS and UNOCI. The Board noted the following deficiencies for the financial period ended 30 June 2006:

(a) The 108,445 (90,973 in 2004/05) total flight hours utilized were 57,264 hours (34.55 per cent) less than the 165,709 (133,296 in 2004/05) hours budgeted;

(b) Only 16 of the 53 carriers that had existing contracts with the United Nations had been subjected to an on-site aviation quality inspection;

(c) About 30 per cent of the aircraft were not subjected to performance evaluation on a regular basis;

(d) Based on the International Civil Aviation Organization's benchmarks, there were inadequate aviation support staff to manage the increased air fleet;

(e) An Aviation Safety Council was not yet established at United Nations Headquarters Department of Peacekeeping Operations;

(f) Non-United Nations passengers were allowed to board United Nations aircraft and travel to different destinations in the Sudan without approval by authorized United Nations officials.

Vehicle fleet management

The Department of Peacekeeping Operations accounted for a fleet of 15,532 vehicles valued at $428.16 million as at 30 June 2006. The Board noted that:

(a) UNMIK had overpaid the fuel supplier $2.3 million over a period of more than four years;

(b) A rotation policy for vehicles to optimize efficiency and utility was not being implemented at UNMIK, UNMIS and UNOCI;

(c) The standard vehicle replacement criteria were not being observed at UNMOGIP and UNMIL;

(d) The use of the CarLog system had not been maximized at UNMIS and UNFICYP;

(e) At UNMIK, discrepancies and errors were noted in the reports generated from CarLog and FuelLog systems;

(f) Approximately 45 per cent of the total vehicle fleet of 15,532 were involved in accidents.

Asset management

The value of recorded non-expendable property increased by 17 per cent, from $1.04 billion as at 30 June 2005 to $1.22 billion as at 30 June 2006. During the financial period, acquisitions amounted to $276.5 million while disposals and adjustments, and write-off amounted to $95.2 million and $4.4 million, respectively. The Board noted that:

(a) At UNMEE, a delay was noted in updating the Galileo system as regards 58 vehicles worth $850,809;

(b) At UNOCI, physical inventory had not been completed at the end of the 2005/06 financial period;

(c) Non-expendable property aggregating $14.4 million identified for disposal was awaiting further disposal processes;

(d) There was a need to match the delegated authority with the current demand for an up-to-date approval for write-off and disposals of non-expendable property.

Strategic deployment stocks

Strategic deployment stocks were valued at approximately $88.2 million as at 30 June 2006, compared with $60.8 million in the previous financial period. The Board noted that:

(a) Replenishment of strategic deployment stocks was tracked and matched through the Galileo system upon actual receipt of goods by the recipient-missions instead of at the time of the issuance of the material release order;

(b) A total of 24 shipments had exceeded the 26-day lead time for inspection adopted by UNLB for 2005/06;

(c) There were no sufficient protective facilities for 153 electric generators with an aggregate cost of $1.9 million.

Support account for peacekeeping operations

The Advisory Committee on Administrative and Budgetary Questions requested the Board of Auditors to make an evaluation on the evolution of the support account for peacekeeping operations. The Board noted that:

(a) There was no defined formula or model to show the relationship of the level and complexity of peacekeeping operations and the level of the support account;

(b) The review of proposals for new posts in consideration of the criteria set forth under the report of the Secretary-General on the support account (A/45/493) needs to be undertaken. The Administration needs to revisit the provisions of document A/45/493 to determine those criteria which hamper efficient management processes in respect of changing circumstances/requirements and in strengthening the review process;

(c) Some job descriptions and workplans did not provide adequate, clear, specific, consistent and updated information to facilitate review and verification of the use of posts as intended.

Rations

Ten rations contracts with an approximate contract value of $427.36 million had been awarded by the Department of Peacekeeping Operations as at September 2006. The Board noted that:

(a) There were issues that needed to be addressed in ensuring proper management of rations, inter alia: absence of back-up plans or alternative arrangements for the supply of essentials like food; delivery of rations without approved contract; disparity in cost of items purchased; and absence of punitive clauses in the rations contract;

(b) Four ration contracts, including their amendments, totalling $197.7 million were not supported by the required contractor's performance evaluation reports.

Human resources management

The Department of Peacekeeping Operations had initiated several projects during the period under review to improve the management of human resources. The Board noted that:

(a) There were requirements relative to human resources planning that were not adhered to, such as: absence of human resources annual training plan; gender equality; and insufficiency in evaluating the training needs of personnel;

(b) The overall average vacancy rate for international civilian staff for all missions was 26 per cent, which is 3.4 per cent lower than the previous year rate of 29 per cent;

(c) Other deficiencies were noted in the following areas: monitoring and payment of overtime; payments made on medical insurance premiums; signing of appointment letters; and approval of leave application forms.

Results-based budgeting

The implementation of results-based budgeting has been continuously enhanced. However, instances of the previous Board's recommendations on this matter were still not being implemented in the case of MINUSTAH and UNMIK, where the following had been observed:

(a) In MINUSTAH there were certain indicators that were either not measurable, specific, time-based or did not have expected accomplishments that justified the resource requirements;

(b) UNMIK did not have enough portfolio of evidence consisting of the actual source documents that support the actual indicators of achievement and outputs in the absence of a formal systematic information-gathering system.

Information and communication technology

(a) UNMIL, UNMIK and UNOMIG had not acted on the previous recommendation of the Board to align missions with the United Nations norm of one printer to every four desktop computers;

(b) The limited facilities of UNLB to support the satellite operation for missions had created, inter alia, problems in terms of power and cooling system, inadequacy of storage facilities for needed spare parts and a too crowded working area.

Quick impact projects

The quick impact project was envisioned to be a tool for a mission to gain acceptance by the host community. It was intended to attain a visible impact in the shortest time possible. In at least three missions, the Board had observed the following:

(a) At UNMIS and ONUB, monthly reports of ongoing projects had not been submitted by the executing agencies, contrary to the memorandums of understanding;

(b) There were 15 out of 20 (75 per cent) projects at UNMEE that had not been completed within the six to eight weeks duration as called for by the terms of reference, which defeated the very purpose of a quick impact project.

Recommendations

The Board has made several recommendations based on its audit observations. A summary of the main recommendations of the Board is set out in paragraph 14 of the report.

A. Introduction

1. The Board of Auditors has audited the financial statements and reviewed the operations of the United Nations peacekeeping operations for the financial period from 1 July 2005 to 30 June 2006 in accordance with General Assembly resolutions 74 (I) of 7 December 1946, 47/211 of 23 December 1992 and 49/233 A of 23 December 1994. The audit was conducted in conformity with article VII of the Financial Regulations and Rules of the United Nations and the annex thereto (see ST/SGB/2003/7), as well as the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency, and the International Standards on Auditing. Those standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the financial statements of the United Nations peacekeeping operations presented fairly their financial position as at 30 June 2006 and the results of operations and cash flows for the financial period then ended, in accordance with the United Nations system accounting standards. This included an assessment as to whether the expenditures recorded in the financial statements for the financial period from 1 July 2005 to 30 June 2006 had been incurred for the purposes approved by the governing bodies and whether income and expenditure had been properly classified and recorded in accordance with the Financial Regulations and Rules. The audit included a general review of financial systems and internal controls and a test examination of accounting records and other supporting evidence to the extent that the Board considered necessary to form an opinion on the financial statements.

3. Pursuant to paragraph 6 of General Assembly resolution 47/211, the Board continued to maintain its expanded audit coverage at Headquarters, at 10 active field missions and at UNLB. The accounts of three active missions (MONUC, UNDOF and UNIFIL) were audited at United Nations Headquarters because of the security situation prevailing at the time of the audit. The coverage also included the audit of UNAMSIL and UNMISET, which were classified as active missions for financial statement purposes although their mandates had ended on 31 December 2005 and on 20 May 2005, respectively, and the accounts of 22 completed missions, the Peacekeeping Reserve Fund and the support account for peacekeeping operations. The missions audited are listed in annex I to the present chapter.

4. In addition to the audit of the accounts and financial transactions, the Board carried out reviews of peacekeeping operations under financial regulation 7.5. The General Assembly had also requested the Board to follow up on previous recommendations and to report to it accordingly. Those matters are addressed in paragraphs 10 and 11 below.

5. The present report addresses the following specific requests made by the Advisory Committee on Administrative and Budgetary Questions and the General Assembly in relation to the Board's report on peacekeeping operations for the year ended 30 June 2005 (A/60/784, paras. 26 and 30):

(a) The results of the Board's review on the conduct of the horizontal review of inter-agency coordination/integrated missions which was to be completed in July 2006;

(b) The Board's further analysis of the management and post and non-post resource issues related to the support account.

6. The Board continued to report the results of audits to the Administration in management letters containing detailed observations and recommendations. This practice allowed for ongoing dialogue with the Administration. Twelve management letters were issued covering the financial period ended 30 June 2006.

7. Where observations in the present report refer to specific missions, such observations are limited only to the locations or missions specified. Such findings do not in any way indicate that they are general in nature, or that they may not also exist at other missions and locations.

8. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views have been appropriately reflected in the present report.

9. A summary of the Board's main recommendations is contained in paragraph 14 below. The detailed findings are discussed in paragraphs 18 to 377.

1. Previous recommendations not fully implemented

Period ended 30 June 2004

10. In accordance with section A, paragraph 7, of General Assembly resolution 51/225 of 3 April 1997, the Board has reviewed the action taken by the Administration to implement the recommendations made in its report for the financial period ended 30 June 2004[1] and confirms that there are no outstanding matters except for those addressed in the present report.

Period ended 30 June 2005

11. In accordance with General Assembly resolution 48/216 B of 23 December 1993, the Board also reviewed the measures taken by the Administration to implement the recommendations made in its report for the financial period ended 30 June 2005.[2] Details of the action taken and the comments of the Board are included in the report and have been summarized in annex II to the present chapter. Of a total of 72 recommendations, 25 (35 per cent) had been implemented, while 44 (61 per cent) were under implementation and 3 (4 per cent) had not been implemented.

Ageing of previous recommendations

12. The Board evaluated the ageing of its previous recommendations that had not yet been fully implemented as requested by the Advisory Committee on Administrative and Budgetary Questions (A/59/736, para. 8). The financial period in which such recommendations were first made is indicated in annex II.

13. Of the 44 recommendations not yet fully implemented, 22 (50 per cent) relate to the 2004/05 period; 16 (36 per cent) to 2003/04; 4 (10 per cent) to 2002/03;

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[1] *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 5* (A/59/5 (Vol. II)), chap. II.

[2] Ibid., *Sixtieth Session, Supplement No. 5* (A/60/5 (Vol. II)), chap. II.

1 (2 per cent) to 2001/02 and 1 (2 per cent) to 2000/01. The Board's further comments on these specific outstanding recommendations are addressed elsewhere in the present report.

2. Main recommendations

14. The Board's main recommendations are that the Administration and/or the Department of Peacekeeping Operations:

Obligations

(a) Assess the reasons for the increase in savings and cancellations of prior-year unliquidated obligations and implement appropriate measures to avoid a recurrence (para. 39);

(b) Ensure strict adherence to financial rules 105.7 to 105.9 as they relate to the criteria for recognition of unliquidated obligations, and that obligations are duly certified and approved by authorized officials (para. 45);

Procurement and contract management

(c) Monitor the submission of vendor performance evaluation to the Procurement Service (para. 89);

(d) Comply with the guidelines of the Procurement Manual to ensure protection against the risk of default on deliveries (para. 98);

(e) Ensure proper procurement planning and regularly monitor spending patterns to ensure compliance with procurement plans (para. 108);

(f) Identify the training needs of procurement officers at missions (para. 112);

(g) Monitor ex post facto submissions to ensure adequate justification and accountability for delays (para. 124);

(h) Strictly enforce the requirement for all contracts to be signed by the contracting parties before the delivery of services and ensure that the finalization of contracts is expedited (para. 134);

Air operations

(i) Take appropriate measures to reduce the gap between the budgeted and actual flight hours utilized by missions (para. 140);

(j) Conduct on-site survey and actual assessment visits to the winning vendor before the awarding of the contract (para. 145);

(k) Monitor on a regular basis the submission of the aviation technical evaluation reports (para. 150);

Vehicle fleet management

(l) Take urgent steps to recover overpayments, report errors to the FuelLog manufacturers, and test back-up procedures (para. 168);

(m) Enforce the vehicle rotation policy (para. 172);

(n) Review and assess effectiveness of its policies and guidelines on the use of United Nations vehicles (para. 189);

Asset management

(o) Ensure the proper custody, control, recording and disposal of non-expendable property (para. 206);

(p) Expedite the approval of write-off and disposals of non-expendable property that meet the criteria for such action (para. 212);

Strategic deployment stocks

(q) Reduce shipping time lags so as not to hamper the operations of the recipient field missions (para. 223);

(r) Conduct inspections of shipments of strategic deployment stocks within the established time frame (para. 230);

Inventory management

(s) Plan the acquisition of spare parts with due regard to realistic estimates of consumption and fast track the disposal of unserviceable and obsolete items (para. 240);

Regional coordination

(t) Expedite the implementation of regional coordination plans that are aligned to the missions' objectives (para. 250);

(u) Coordinate with other United Nations agencies and United Nations accredited groups in terms of establishing consultative and collaborative arrangements at country levels, especially the Inter-Agency Procurement Services Office and the Inter-Agency Procurement Working Group, which could contribute to the missions' cost-saving programmes on procurement (para. 253);

Support account for peacekeeping operations

(v) Reassess the apportionment of amounts allocated to the support account to optimize the use of such funds (para. 281);

(w) Use the full set of criteria for posts necessary for providing backstopping to peacekeeping operations (para. 285);

Rations

(x) Enforce the submission of the vendor's semi-annual evaluation reports to the Procurement Services (para. 298);

Human resources management

(y) Implement a comprehensive human resource plan in order to attract and retain the best qualified and most experienced staff members (para. 303);

(z) **Continue efforts to fill vacant posts in a timely manner through an improved outreach to qualified candidates and networking with Member States, peacekeeping partners and other organizations (para. 325);**

Results-based budgeting

(aa) **Review its results-based budgeting framework such that indicators of achievement and output are measurable, specific and time-based (para. 351);**

Information and communication technology

(bb) **Plan for an adequate structure that would serve as the central satellite hub for all peacekeeping operations (para. 364);**

Quick impact projects

(cc) **Establish a monitoring mechanism to ensure that quick-impact projects are implemented in accordance with the approved budget, terms and conditions, project milestones and performance expectations (para. 372).**

15. The Board's other recommendations appear in paragraphs 33, 50, 53, 57, 61, 65, 76, 83, 86, 117, 130, 153, 159, 162, 177, 180, 184, 197, 214, 218, 227, 234, 237, 260, 290, 294, 310, 311, 317, 328, 332, 337, 357 and 360. These recommendations do not include sanctions or disciplinary steps, which the Administration and/or the Department of Peacekeeping Operations may wish to impose in accordance with existing rules on such matters on defaulting officials for consistent failure to ensure compliance with the financial Regulations and Rules of the United Nations, administrative instructions and other related directives.

B. Coordination among oversight bodies

16. The Board continually coordinates with the other oversight bodies and experts in the planning of its audits in order to avoid duplication of efforts. The Board therefore considered the work planned and/or performed by the other oversight bodies, with respect to peacekeeping operations, to determine the extent of reliance that could be placed on the work done by those bodies.

17. During the audit, the Board took into consideration the report of the Office of Internal Oversight Services on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717). The Office of Internal Oversight Services concluded that while initiatives where introduced in recent years on, inter alia, integrated mission planning process and the establishment of strategic deployment stocks, those achievements had not kept pace with the challenges inherent in the rapid increase in field operations. The Office of Internal Oversight Services observed that the control environment had been inadequate, exposing the peacekeeping operations to the risk of fraud and abuse and accordingly recommended the establishment of appropriate mechanisms to ensure managerial accountability at all levels. It was particularly concerned about the risks and exposures in the area of procurement, where it found a number of cases indicating systematic breaches of United Nations regulations and rules. The Office of Internal Oversight Services also identified areas for improvement in the management of

peacekeeping operations such as the need for the budget process to be reorganized for efficiency and optimizing the use of information and communication technology.

C. Detailed findings and recommendations

1. Financial overview

18. As shown in table II.1, the financial situation generally improved during the financial period ended 30 June 2006 compared with previous periods.

Table II.1
Ratios of key financial indicators

Description of ratio	*Year ended 30 June* 2003	2004	2005	2006	*Components of 2006 ratio*[a]
Assessed contributions outstanding/ total assets[b]	0.35	0.46	0.45	0.34	1.271/3.718
Cash/total assets[c]	0.56	0.47	0.48	0.59	2.192/3.718
Cash/liability (active missions, including the Peacekeeping Reserve Fund, support account and UNLB)[d]	1.18	0.74	0.82	1.25	1.851/1.475
Cash/liability (closed missions)[d]	0.80	0.65	0.76	0.76	0.341/0.446
Unliquidated obligations/total liabilities[e]	0.56	0.52	0.62	0.57	1.054/1.845

[a] In billions of United States dollars.

[b] A low indicator depicts a healthy financial position.

[c] A high indicator depicts a healthy financial position.

[d] A low indicator is a reflection that insufficient cash is available to settle debts.

[e] A low indicator is a positive reflection that obligations are being liquidated.

Appropriations

19. During the period, appropriations for 15 missions, UNLB and the support account totalled $5.01 billion or an overall increase of 13 per cent over the previous financial period of $4.42 billion. The increase of 13 per cent in the appropriations for the 15 missions was mainly due to the 247 per cent and 43 per cent increases in the budgets of UNMIS and MINUSTAH, respectively. These increases were, however, largely offset by decreases of 98 per cent and 62 per cent for UNMISET and UNAMSIL respectively, since both missions ended their mandates in 2005.

20. Table II.2 shows the increases and decreases in peacekeeping appropriations for 2005/06.

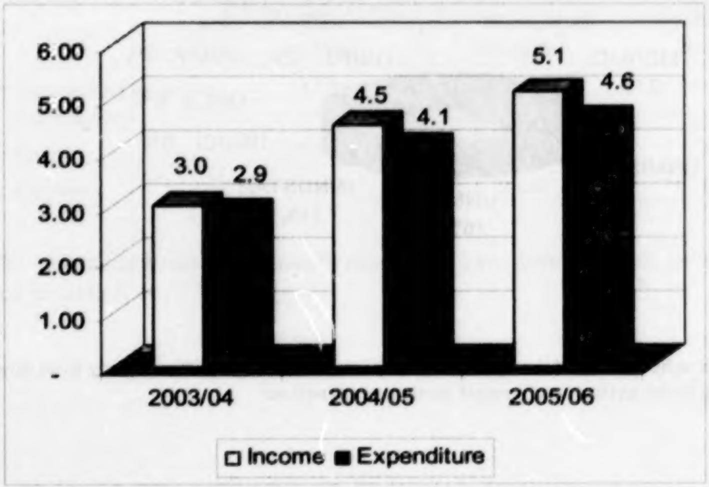
Table II.2
Peacekeeping appropriations
(Thousands of United States dollars)

Mission	*2005/06*	*2004/05*	*Increase/(decrease) (percentage)*
UNFICYP	47 944	53 266	(10)
UNDOF	43 706	43 033	2
UNIFIL	99 228	97 804	1
MINURSO	51 067	46 186	11
UNOMIG	36 380	33 589	8
UNAMSIL	113 216	301 868	(62)
UNMIK	252 552	308 414	(18)
MONUC	1 157 096	994 782	16
UNTAET/UNMISET	1 758	85 214	(98)
UNMEE	185 993	216 031	(14)
UNMIL	760 687	864 936	(12)
UNOCI	438 169	388 928	13
MINUSTAH	541 302	379 047	43
ONUB	307 693	329 714	(7)
UNMIS	969 469	279 501	247
Total	**5 006 260**	**4 422 313**	**13**

Analysis of income and expenditure

21. As indicated in figure II.1, total income for the financial period ended 30 June 2006 amounted to $5.1 billion ($4.5 billion in 2004/05), while total expenditure amounted to $4.6 billion ($4.1 billion in 2004/05).

Figure II.1
Comparative income and expenditure for 2003/04, 2004/05 and 2005/06
(Billions of United States dollars)



22. The increase in expenditure of approximately 12 per cent (see table II.3) is attributable mainly to the expanded operations of three recently established missions: UNMIS, UNOCI and MINUSTAH, as depicted below.

Table II.3

Income and expenditure for recently established missions for the financial period ended 30 June 2006

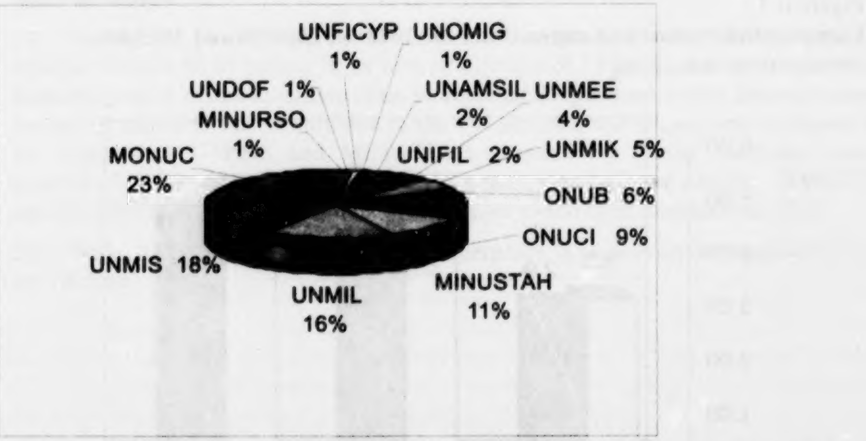
(Thousands of United States dollars)

	2005/06			*2004/05*	
Mission	*Income*	*Expenditure*	*Percentage of total peacekeeping expenditures before fund eliminations*	*Expenditure*	*Percentage increase (decrease)*
UNMIS	980 488	801 124	17	218 866	266
UNMIL	774 053	745 514	16	783 915	(5)
UNOCI	443 253	401 660	8	347 345	16
MINUSTAH	546 591	504 450	11	377 235	34
ONUB	311 288	254 372	5	303 794	(16)
Total	**3 055 673**	**2 707 120**	**57**	**2 031 155**	**33**
Total before fund eliminations	**5 352 307**	**4 769 705**		**4 333 221**	
Fund eliminations	(203 581)	(186 946)		(258 915)	
Total	**5 148 726**	**4 582 759**	**100**	**4 074 306**	**12**

23. Figure II.2 shows the distribution of expenditures for the active missions.

Figure II.2

Mission expenditure as a percentage of total[a]



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[a] As per schedule 1.1 of the financial statements. Percentages differ slightly from those in table II.3 owing to the exclusion of special accounts expenditure.

24. Missions with significant declining expenditure levels due to phasing down of operations were UNAMSIL, UNMISET, UNMIK and ONUB, as shown in table II.4.

Table II.4

Missions with a significant decline in expenditure levels

(Thousands of United States dollars)

Mission	*Expenditures 2005/06*	*Expenditures 2004/05*	*Decrease*	*Percentage decrease*
UNAMSIL	91 814	274 789	182 975	67
UNMISET	1 715	81 609	79 894	98
UNMIK	246 415	308 285	61 870	20
ONUB	254 372	303 794	49 422	16

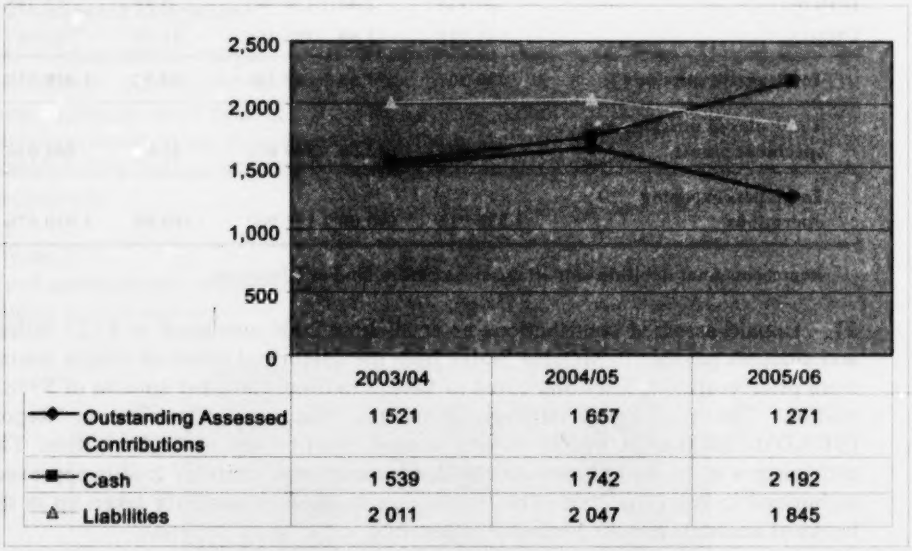
Assessed contributions outstanding and cash levels

25. Assessed contributions outstanding for the financial year ended 30 June 2006 amounted to $1.27 billion, a decrease by 23.5 per cent from $1.66 billion in 2004/05.

Figure II.3

Comparative figures for outstanding assessed contributions, cash available and liabilities for 2003/04, 2004/05 and 2005/06

(Millions of United States dollars)



	2003/04	2004/05	2005/06
◆ Outstanding Assessed Contributions	1 521	1 657	1 271
■ Cash	1 539	1 742	2 192
△ Liabilities	2 011	2 047	1 845

26. The outstanding assessed contributions and cash levels for all missions are indicated in table II.5.

Table II.5
Assessed contributions outstanding, cash balances and liabilities for all missions as at 30 June 2006

(Thousands of United States dollars)

	Assessed contributions		*Cash*		*Liability*[a]	
Mission	*Outstanding*	*Percentage*	*Available*	*Percentage*	*Amount*	*Percentage*
UNFICYP	16 138	1.27	8 585	0.39	8 823	0.46
UNDOF	16 564	1.30	23 821	1.09	14 917	0.78
UNIFIL	60 498	4.76	50 532	2.31	32 036	1.67
MINURSO	48 793	3.84	2 677	0.12	21 416	1.12
UNOMIG	12 224	0.96	2 702	0.12	4 472	0.23
UNAMSIL	14 787	1.17	205 069	9.36	78 721	4.10
UNMIK	51 003	4.01	5 769	0.26	41 928	2.18
MONUC	123 934	9.75	331 819	15.14	330 104	17.19
UNTAET/UNMISET	36 751	2.89	19 820	0.90	22 734	1.18
UNMEE	22 394	1.76	46 284	2.11	37 761	1.97
UNMIL	57 011	4.49	219 677	10.02	216 728	11.28
UNOCI	41 448	3.26	115 270	5.26	108 490	5.65
MINUSTAH	49 912	3.93	133 480	6.09	133 653	6.96
ONUB	31 128	2.45	120 395	5.49	53 248	2.77
UNMIS	147 722	11.62	356 386	16.26	313 887	16.34
Total, active missions	**730 307**	**57.46**	**1 642 286**	**74.92**	**1 418 918**	**73.88**
Total, closed missions and special accounts	**540 605**	**42.54**	**549 676**	**25.08**	**501 658**	**26.12**
Total, peacekeeping operations	**1 270 912**	**100.00**	**2 191 962**	**100.00**	**1 920 676**	**100.00**

[a] Represents total liabilities for all missions before fund eliminations.

27. Unpaid assessed contributions as at 30 June 2006 amounted to $1.27 billion and amounts payable to Member States from the authorized return of credits arising from prior years surpluses amounted to $292.7 million, for a net amount of $978.2 million. The net figure differed from the Status of Contribution Report (ST/ADM/SER.B/695) which showed unpaid contribution of $1.26 billion. The difference was due to non-inclusion of assessments and return of credits approved/authorized in late June 2006. The reconciling items were correctly taken up in the books of accounts and the Financial Statements.

28. Of the gross outstanding contribution of $1.27 billion, $706.3 million (56 per cent) had been outstanding for over one year, of which $165.7 million related to active missions, $527.0 million to completed missions and $13.6 million to special-purpose accounts.

29. Paragraph 33 of the United Nations system accounting standards provides that "the organization may make a provision for delays in the collection of the

outstanding contributions". No such provision has been made. Note 2 (l) (iii) to the financial statements states that it is "the policy of the United Nations not to make provision for delays in collection of such assessments". Had the Administration adopted a policy creating a provision for outstanding assessments, it would have provided a fairer presentation of its financial statements.

30. The level of assessments has grown with the growth in the peacekeeping operations. The Board has noted a similar annual escalation in the level of unpaid assessments.

31. Furthermore, the notes to the financial statements indicate that certain Member States have indicated that they will not be paying certain outstanding amounts. Despite the special legal nature of assessments, and the United Nations system accounting standards permitting that such assessments be carried without impairment, the accounting basis of prudence and substance over form would necessitate improved accounting and disclosures.

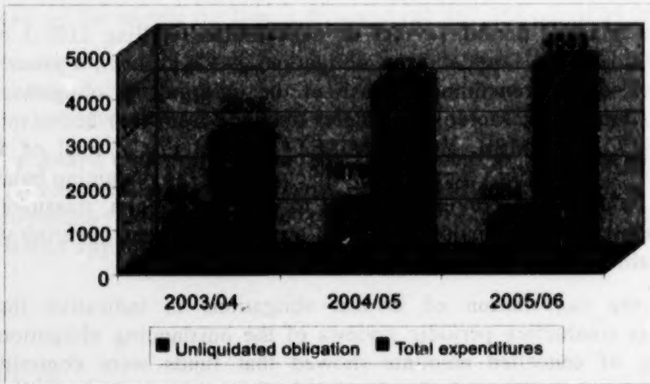
32. A further consideration is the decision by the General Assembly in its resolution 60/283 of 7 July 2006 to implement International Public Sector Accounting Standards with effect from 1 January 2010, which may also effect the carrying value of these receivables.

33. **The Board is still concerned with the level of unpaid assessments although it decreased by 23.5 per cent for the current period, in particular for completed missions, because of the uncertainty of recovery.**

Unliquidated obligations

34. Unliquidated obligations of $1.05 billion decreased from 31 per cent of expenditure in 2004/05 to 23 per cent in 2005/06, as reflected in figure II.4. Approximately $953 million (90 per cent) of the balance of unliquidated obligations relates to current-year obligations, while the balance of $101 million ($76 million in 2004/05, $16 million in 2003/04 and $9 million in 2002/03) represents prior-year obligations.

Figure II.4
Total unliquidated obligations
(Millions of United States dollars)



35. The total obligations raised for the current financial period for active missions amounted to $910.88 million, or 20 per cent of the total expenditure of about $4.6 billion.

36. For the financial period ended 30 June 2006, the savings on or cancellation of prior-period obligations amounted to $304.2 million, representing an increase of 81.28 per cent over that of the preceding financial period of $167.81 million. The obligations cancelled represented 23.8 per cent of the closing balance of the total unliquidated obligations for the previous financial year (2004/05). Of the total cancellation made for the financial period, $299.9 million pertains to active missions' obligation, as shown in table II.6.

Table II.6
Percentage of cancellation of 2005 expenditure
(Millions of United States dollars)

Missions	*Expenditure 2004/05 (a)*	*Cancellation 2005/06 (b)*	*Percentage cancellation of 2005 expenditure (c)=(b/a)*
UNFICYP	52.56	0.64	1.22
UNDOF	42.95	2.87	6.68
UNIFIL	94.09	11.99	12.74
MINURSO	47.46	0.86	1.81
UNOMIG	32.73	1.02	3.12
UNAMSIL	274.79	109.46	39.83
UNMIK	308.29	2.96	0.96
MONUC	94.95	44.8	47.18
UNMISET	81.61	30.26	37.08
UNMEE	191.03	12.67	6.63
UNMIL	783.92	34.52	4.40
UNOCI	347.34	10.78	3.10
MINUSTAH	377.23	9.22	2.44
ONUB	303.79	12.1	3.98
UNMIS	218.87	15.79	7.21
Total	**4 097.61**	**299.94**	**7.32**

37. During the financial period, savings on cancellation totalling $108.3 million were recorded through the liquidation of obligations batch process, a process that identifies and closes the remaining balance of the unliquidated obligations that expired as at 30 June 2006. Moreover, samples obtained from four active missions (UNMIL, MONUC, UNAMSIL and UNMISET) showed that a total of $106.6 million in cancelled obligations pertained to the closing of the remaining balance of the obligations, which were previously raised to cover, inter alia, missions' self-sustainment, disability claims, major contingent-owned equipment, covering various periods and payable to Member States.

38. Although the cancellation of invalid obligations is indicative that the Administration is conducting periodic reviews of the outstanding obligations, the almost doubling of cancelled amounts showed that funds were committed to activities that were not ultimately implemented. On account of the policy that

recognizes expense prior to its actual incurrence, the Board is concerned that prior year expenditures were overstated.

39. **The Board reiterates its previous recommendation[3] that the Administration assess the reasons for the increase in savings and cancellations of prior-year unliquidated obligations and implement appropriate measures to avoid a recurrence.**

40. The Department of Peacekeeping Operations expressed its concern that the previous recommendation[4] to review obligations to ensure that valid amounts were retained in the accounts had not been implemented.

41. The Administration informed the Board that it was necessary to review outstanding obligations thoroughly and close those that were no longer required, in particular at the end of a financial period. The Department indicated that one of the factors that contributed to the initial overestimation of obligations was the delay in the signing of memorandums of understanding with troop-contributing countries. Memorandums of understanding relating to several large contributions of contingent-owned equipment had been signed two years after deployment, at which point the actual reimbursements due to the troop-contributing countries could be determined. Savings were also realized owing to equipment deficiencies and unserviceability, in addition to troop-contributing countries that did not meet agreed self-sustainment standards, and because of the early repatriation of contingents.

Miscellaneous obligating documents

42. At UNMEE unliquidated obligations totalling approximately $1 million were recognized as at 30 June 2006 even though the corresponding purchase orders were approved after the financial period ended. In addition, 38 miscellaneous obligating documents worth $1.92 million were not approved/signed by the approving officer and 9 miscellaneous obligating documents aggregating $24,326 were not certified. On the basis of rules 105.7 to 105.9 of the Financial Regulations and Rules of the United Nations, one of the conditions required for unliquidated obligations to be established is that a contract, purchase order, agreement, authorization or other form of written mutual understanding between the United Nations and outside party exists.

43. At UNOCI, the Board noted that internal purchase orders were still being used as obligating documents for unliquidated obligations in 2005/06. They represented 16 per cent of the sample the Board reviewed ($1,567,358 out of $9,787,760.43).

44. The use of internal purchase orders was not in compliance with United Nations financial rule 105.9 because a contract not fully signed by both parties cannot be considered as a legal obligating document.

45. **The Board recommends that the Department of Peacekeeping Operations ensure (i) strict adherence to sections 105.7 to 105.9 as they relate to the criteria for recognition of unliquidated obligations; and, (ii) obligations are duly certified and approved by authorized officials.**

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[3] Ibid., para. 35.

[4] Ibid., para. 86.

46. The Department commented that the Office of Mission Support would instruct the missions to enforce the established rules relating to the reservation of credits in the accounts to meet expenditures, and the monthly review of unliquidated obligations.

2. United Nations system accounting standards

47. The Board assessed the extent to which the financial statements of the United Nations peacekeeping operations for the financial period ended 30 June 2006 conformed to the United Nations system accounting standards. The financial statements were consistent with those standards in all material respects.

3. Financial position of completed missions

48. The financial position of completed missions remained a matter of concern since there was a shortfall of cash to cover liabilities for 8 of the 22 completed missions. Total outstanding assessments of $527 million for completed missions represent 41.5 per cent of the total assessed contributions receivable from Member States (see table II.7).

49. The Board followed up on its previous recommendation[5] that the clearance of these long-outstanding amounts would be possible only with the intervention of the Member States concerned. The Administration informed the Board that the Secretary-General was submitting a proposal on consolidation of accounts, which, if approved by the General Assembly, would permit the settlement of long-outstanding payables in the accounts of closed missions with cash deficits.

Table II.7

Key financial data of completed missions as at 30 June 2006

(Thousands of United States dollars)

Mission	*End of mandate*	*Outstanding assessments*	*Available cash (a)*	*Total liability[a] (b)*	*Excess/(shortfall) of cash relative to liabilities (c)=(a)-(b)*
UNIKOM	October 2003	782	44 393	38 841	5 552
UNMIBH	December 2002	35 488	18 907	7 249	11 658
UNMOT	May 2000	22	4 909	2 458	2 451
MIPONUH	March 2000	19 449	2 001	9 492	(7 491)
MINURCA	February 2000	35 580	50	23 903	(23 853)
MONUA and UNAVEM	February 1999	35 844	32 234	10 636	21 598
UNPREDEP	February 1999	1 306	16 453	7 623	8 830
UNTAES	January 1998	8 972	23 217	11 199	12 018
UNOMIL	September 1997	69	7 859	3 808	4 051
UNPF	June 1997	149 356	85 242	11 376	73 866
MINUGUA	May 1997	147	35	163	(128)
UNMIH	June 1996	211	45 558	15 264	30 294
UNAMIR and UNOMUR	March 1996	1 686	26 887	4 278	22 609

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[5] Ibid., para. 41.

Mission	*End of mandate*	*Outstanding assessments*	*Available cash (a)*	*Total liability*[a] *(b)*	*Excess/(shortfall) of cash relative to liabilities (c)=(a)-(b)*
ONUSAL	April 1995	2 099	4 877	3 553	1 324
ONUMOZ	December 1994	18 239	652	1 292	(640)
UNOSOM	March 1995	59 398	2 900	19 744	(16 844)
UNMLT	November 1994	10	236	108	128
UNTAC	March 1994	41 779	540	40 877	(40 337)
UNTAG	June 1991	24	19 727	16 644	3 083
UNIIMOG	June 1991	18	4 481	10	4 471
UNEF	June 1967	42 627	—	43 155	(43 155)
ONUC	June 1964	73 892	—	46 825	(46 825)
Total		**526 998**	**341 158**	**318 498**	**22 660**

[a] Excludes expenditures reimbursable by Member States.

50. **The Board recommends that the Administration expedite the submission of the proposal on consolidation of accounts that would permit the settlement of long-outstanding amounts payable in the accounts of closed missions with cash deficits.**

4. Voluntary contributions receivable and unrecorded liabilities

United Nations Peacekeeping Force in Cyprus

51. As stated in footnote g to financial statement IV, voluntary contributions receivable as at 30 June 2006 for UNFICYP amounted to approximately $6 million, with $5.57 million outstanding in respect of the period prior to 15 June 1993. In accordance with the United Nations system accounting standards (para. 34), a provision may be made as appropriate where the collection of the voluntary contributions so recognized is considered doubtful. The Administration has elected not to do so. The Administration indicated that the Secretary-General would continue to seek the assistance of the concerned Member States in order to clear these long-outstanding amounts in the UNFICYP account.

52. As disclosed in footnote e to financial statement IV, for the period from 27 March 1964 to 15 June 1993, obligations recorded in the UNFICYP account are limited to the availability of funds in the special account through voluntary contributions. From the inception of the mission to 30 June 2006, unrecorded obligations had accumulated to $202.8 million. The change from the comparable figure as at 30 June 2005 of $194.8 million was due to exchange rate fluctuations.

53. **As the United Nations accounting practice dictates that obligations are recorded as they occur the Board recommends that the Department of Peacekeeping Operations recognize the $202.8 million liabilities in UNFICYP books.**

5. Peacekeeping Reserve Fund

54. The level of the Peacekeeping Reserve Fund as at 30 June 2006 was $157.1 million, $7.1 million higher than the approved level of $150 million. The Fund included $12.8 million due from MINURCA (outstanding in respect of periods prior to June 1999) and cash and cash equivalents amounting to $144.3 million ($152.9 million in 2004/05). The reserve in excess of the approved level has been dealt with in terms of General Assembly resolution 59/301.

6. Funds monitoring tool

55. The funds monitoring tool is a web-based system aimed at consolidating financial information from the field and Headquarters financial systems.

56. The Board noted that some staff at UNFICYP had not received training on the funds monitoring tool.

57. **The Administration agreed with the Board's recommendation that all relevant staff undertake training on the use of the funds monitoring tool.**

58. The Administration informed the Board that following the Board's recommendation in 2004 that budget and finance staff as well as cost centre management be trained on the funds monitoring tool, a series of workshops and training had been conducted.

59. The Board noted that the reconciliation between the funds monitoring tool and the trial balance at UNMEE for 30 June 2006 had not been performed by 14 September 2006, resulting in differences of balances between the funds monitoring tool and the trial balance.

60. UNMEE commented that the funds monitoring tool incorporated data from the Sun System and the Integrated Management Information System (IMIS), which meant that any data entered into those financial systems was automatically reflected in the funds monitoring tool. It also commented that the data in the reports generated from the funds monitoring tool, the Sun System and IMIS as at a given date could not be exactly the same owing to the fact that the data in the funds monitoring tool lags by two to three days. Given the period of 76 days, from 30 June and 14 September 2006 (audit date), that time would have been sufficient to reconcile the data in the trial balance and the funds monitoring tool.

61. **The Board recommends that the Administration ensure the timely reconciliation of the funds monitoring tool with the trial balances and continually send feedback to the Office of Programme Planning, Budget and Accounts in respect of the problems encountered in the implementation of the funds monitoring tool with a view to its further enhancement.**

62. The differences between the funds monitoring tool and the trial balance in the Sun System noted by the Board in September 2006 have since been resolved and currently expenditure information for 2006 for UNMEE as represented in the funds monitoring tool is consistent with fund amounts recorded in the Sun System and IMIS.

63. The Administration informed the Board that the Office of Programme Planning, Budget and Accounts would communicate with all peacekeeping missions

the need to systematically review synchronization between IMIS, the Sun System and the funds monitoring tool.

7. Cash management

64. The Board noted that controls over petty cash at UNMEE, MINURSO, UNOMIG and UNOCI were not always applied.

65. **The Department of Peacekeeping Operations agreed with the Board's recommendation to implement all petty cash controls.**

8. Missions in liquidation

United Nations Mission of Support in East Timor

66. The Security Council, in its resolution 1573 (2004), extended the mandate of UNMISET for a final six months until 20 May 2005. UNMISET ended its field liquidation on 31 October 2005.

67. As at 30 June 2006, UNMISET was classified as an active mission in the financial statements. For the year under review UNMISET incurred expenditure of $1.7 million out of the $3.5 million total income. An amount of $1.6 million was allocated for the liquidation activities from 21 May to 30 June 2005.

United Nations Mission in Sierra Leone

68. As at 30 June 2006, UNAMSIL was classified as an active mission although its mandate ended on 31 December 2005 and the field liquidation ended 30 June 2006. It has incurred an expenditure of $91.8 million in the current financial period. There were savings on or cancellation of prior-period obligations of $109.4 million. Under the terms of General Assembly resolution 60/279, Member States were credited with $99.2 million, comprising unencumbered balance and other income in respect of the financial period ended 30 June 2005.

9. Write-off of losses of cash, receivables and property

69. The Administration informed the Board that property losses of $4.36 million ($4.5 million in 2004/05) had been written off during 2005/06 in accordance with financial rule 106.9. In addition, losses amounting to $63,660 ($446,570 in 2004/05) had been written off in respect of accounts receivable considered not recoverable, cash losses, overpayments and other accounts for the financial period under review in accordance with financial rule 106.8.

10. Ex gratia payments

70. The Administration reported one ex gratia payment during the financial period ended 30 June 2006 amounting to $20,511 covering compensation for the harm to the appellant's (staff) reputation.

11. Procurement and contract management

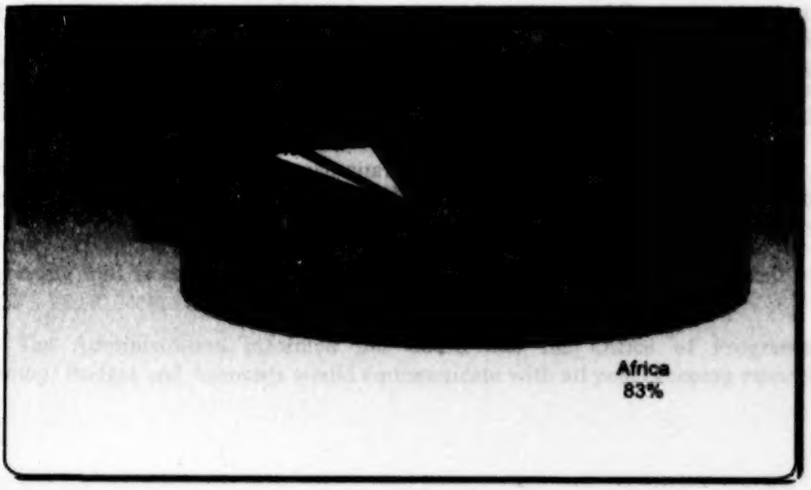
Breakdown of operational expenditure

71. In the 15 active missions managed during the 2005/06 financial year (see table II.8 and figure II.5) total operational expenditure incurred during the financial year amounted to $1.7 billion.

Table II.8
Operational expenditure per mission and UNLB
(Thousands of United States dollars)

Mission	*Operational expenditure*
UNFICYP	**13 467**
UNDOF	**12 026**
UNIFIL	**20 146**
MINURSO	**20 323**
UNOMIG	**9 595**
UNAMSIL	**25 359**
UNMIK	**27 708**
MONUC	**443 265**
UNMISET	**515**
UNMEE	**50 160**
UNMIL	**220 065**
UNOCI	**129 600**
MINUSTAH	**151 131**
ONUB	**58 783**
UNMIS	**478 372**
UNLB — strategic deployment stocks replenishment	**47 831**
Total	**1 708 346**

Figure II.5
Geographical distribution of mission operational expenditure



Systems contracts and purchase orders — geographical distribution

72. System contracts are used for products/services required on a recurring basis and for an extended period of time, usually not to exceed five years. Such an arrangement allows the requisitioner to draw required products/services on a "when and as required basis", without soliciting bids each time and significantly reduces the procurement cycle duration.

73. During the 2005/06 financial year, a total of 15 new systems contracts valued at $103.82 million and 1,731 purchase orders valued at $617.13 million were issued by the United Nations Procurement Service for the Department of Peacekeeping Operations. Contracts and purchase orders were allocated to vendors from 45 countries, as indicated in tables II.9 and II.10.

Table II.9
Value of systems contracts, by country and region
(United States dollars)

Country	*Geographical region*	*Value of contract*	*Percentage*
United States of America	Americas (North)	76 485 214	73.67
Canada	Americas	488 750	0.47
Subtotal		**76 973 964**	**74.14**
Denmark	Europe	17 880 149	17.22
Germany	Europe	314 931	0.30
Netherlands	Europe	211 500	0.20
Norway	Europe	1 999 651	1.93
United Kingdom of Great Britain and Northern Ireland	Europe	5 020 516	4.84
Subtotal		**25 426 747**	**24.49**
Israel	Middle East	1 419 160	1.37
Total		**103 819 871**	**100**

Table II.10
Value of purchase orders by country and region
(United States dollars)

Country	*Geographical region*	*Value of contract*	*Percentage*
Angola	Africa	25 009 540	4.05
Ethiopia	Africa	3 293 400	0.53
Namibia	Africa	47 750	0.01
Nigeria	Africa	589 600	0.10
South Africa	Africa	38 654 263	6.26
Subtotal		**67 594 553**	**10.95**
Australia	Australasia	1 214 094	0.20
New Zealand	Australasia	100 701	0.01
Subtotal		**1 314 795**	**0.21**

Country	*Geographical region*	*Value of contract*	*Percentage*
United States of America	**Americas**	**49 438 376**	**8.01**
Canada	**Americas**	**20 462 800**	**3.32**
Subtotal		**69 901 176**	**11.33**
Cambodia	**Asia**	**374 938**	**0.06**
China	**Asia**	**37 713**	**0.01**
India	**Asia**	**2 895 402**	**0.47**
Japan	**Asia**	**28 174 908**	**4.56**
Pakistan	**Asia**	**4 375 786**	**0.71**
Republic of Korea	**Asia**	**1 098 150**	**0.18**
Singapore	**Asia**	**245 111**	**0.04**
Thailand	**Asia**	**21 307 132**	**3.45**
Subtotal		**58 509 140**	**9.48**
Austria	**Europe**	**4 640 395**	**0.75**
Belgium	**Europe**	**643 549**	**0.10**
Bulgaria	**Europe**	**5 925 525**	**0.96**
Czech Republic	**Europe**	**3 982 043**	**0.65**
Denmark	**Europe**	**8 550 320**	**1.39**
Estonia	**Europe**	**5 515 441**	**0.89**
Finland	**Europe**	**719 831**	**0.12**
France	**Europe**	**34 064 144**	**5.52**
Germany	**Europe**	**34 967 440**	**5.66**
Hungary	**Europe**	**10 943**	**0.01**
Ireland	**Europe**	**34 093 764**	**5.52**
Italy	**Europe**	**12 052 941**	**1.95**
Moldova	**Europe**	**3 500 000**	**0.57**
Monaco	**Europe**	**229 645**	**0.04**
Netherlands	**Europe**	**955 306**	**0.15**
Portugal	**Europe**	**329 049**	**0.05**
Russian Federation	**Europe**	**161 919 794**	**26.23**
Slovakia	**Europe**	**147 248**	**0.02**
Spain	**Europe**	**5 703 822**	**0.92**
Sweden	**Europe**	**969 060**	**0.16**
Switzerland	**Europe**	**12 698 788**	**2.06**
Ukraine	**Europe**	**28 811 770**	**4.67**
United Kingdom of Great Britain and Northern Ireland	**Europe**	**9 720 529**	**1.58**
Subtotal		**370 151 347**	**59.98**
Egypt	**Middle East**	**1 630 900**	**0.27**
Israel	**Middle East**	**880 655**	**0.14**
Jordan	**Middle East**	**46 583 341**	**7.55**
Turkey	**Middle East**	**391 788**	**0.06**

Country	*Geographical region*	*Value of contract*	*Percentage*
United Arab Emirates	Middle East	171 598	0.03
Subtotal		**49 658 282**	**8.05**
Total		**617 129 293**	**100**

74. Section 9.3.4 (2) of the Procurement Manual stipulates that procurement officers should strive to ensure equitable geographical representation by vendors. In addition, the General Assembly, in paragraph 6 of its resolution 57/279 of 20 December 2002, requested the Secretary-General to encourage the organizations of the United Nations system, consistent with their respective mandates, to take further steps to increase procurement opportunities for vendors from developing countries and countries with economies in transition. Although 83 per cent of total operational expenditure had been incurred by missions in the Africa region, 56 per cent and 20 per cent of the contracts value have been allocated to vendors in the European and Americas regions, respectively. Figures II.6 and II.7 illustrate the geographical spread of systems contracts and purchase orders by value and by number of contracts.

Figure II.6

Geographical distribution of contracts by value ($720.95 million)

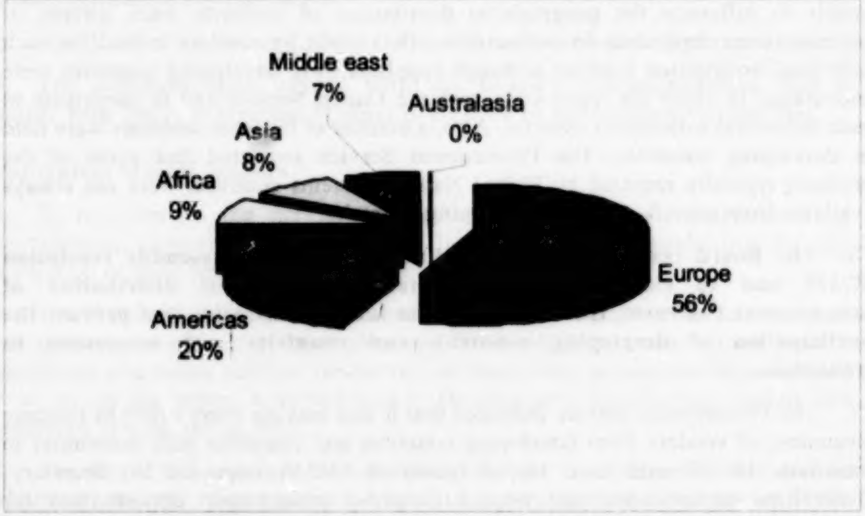
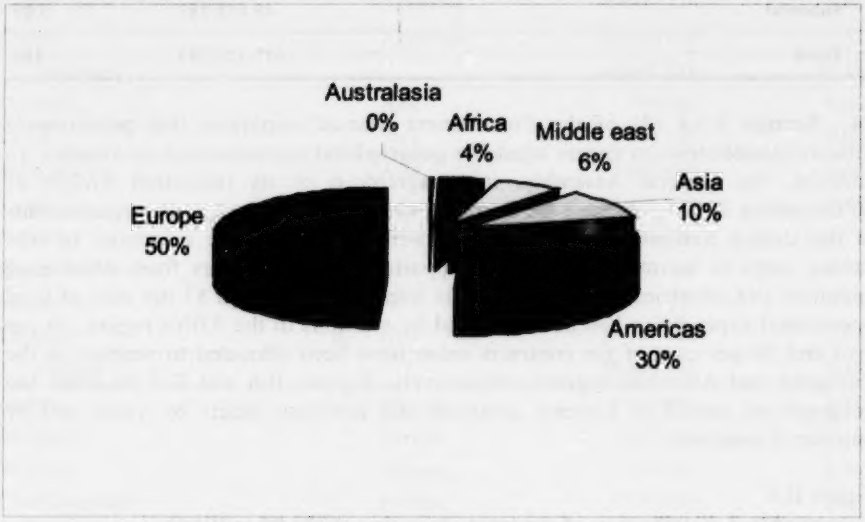


Figure II.7
Geographical distribution of contracts by number (1,746 contracts)



75. The Board noted that as in the previous year,[6] the Procurement Service was unable to influence the geographical distribution of contracts since awards of contracts were dependent on competitive offers made by vendors invited for each individual solicitation exercise although suppliers from developing countries were encouraged to apply for registration with the United Nations and to participate in each individual solicitation exercise. Also, a number of business seminars were held in developing countries. The Procurement Service indicated that some of the products typically required by United Nations systems contracts were not always available from manufacturers in developing countries.

76. **The Board recommends that in line with General Assembly resolution 57/279 and to ensure a more equitable geographical distribution of procurement contracts, the Administration identify obstacles that prevent the participation of developing countries and countries with economies in transition.**

77. The Procurement Service indicated that it was making every effort to increase awareness of vendors from developing countries and countries with economies in transition. The General Assembly, in resolution 61/246, requested the Secretary-General to explore additional ways to improve procurement opportunities for vendors from these countries both at Headquarters and the field and to report thereon to the General Assembly at the second part of its resumed sixty-first session.

Inter-agency local procurement activities

78. The Board previously recommended[7] that the Administration, in consultation with the United Nations Development Group and the Inter-Agency Procurement

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[6] Ibid., para. 73.

[7] Ibid., para. 78.

Working Group, pursue initiatives within predetermined time frames to improve inter-agency procurement activities.

79. In its meeting in Brazil from 5 to 9 June 2006, the Inter-Agency Procurement Working Group agreed to address four priorities related to the reform of the procurement. These were:

(a) To advocate for procurement as a strategic function for the delivery of mission outcomes;

(b) To enhance internal control frameworks of United Nations procurement, including transparency;

(c) To strengthen the procurement profession in the United Nations;

(d) To establish a benefits log to capture and communicate results and efforts to improve procurement effectiveness.

80. The Board will track these recent initiatives and their outcomes in future periods.

Management of vendor files

81. Paragraph 7.10 (1) of the Procurement Manual states that all original applications, supporting documents, Procurement Service evaluation forms and correspondence concerning the application are to be duly filed in the appropriate vendor registration application file.

82. The Board noted that at UNMIK the vendor database had not been updated.

83. **The Administration agreed with the Board's recommendation that it comply with the Procurement Manual in relation to maintaining vendor files.**

Registration of local vendors

84. In response to the previous report[8] of the Board, the Department of Peacekeeping Operations indicated that it would develop guidelines for the registration of local vendors in consultation with the missions.

85. The Board noted that the Procurement Service would address the full spectrum of vendor registration at Headquarters and field missions, including the vendor registration committee and the vendor review committee as outlined in paragraphs 28 to 31 of document A/60/846/Add.5. Development has already started and completion is expected in 2007.

86. **The Board recommends that the Administration expedite the issuance of guidelines for the registration of local vendors in consultation with the missions.**

Performance reports

87. In its previous report,[9] the Board recommended that the Administration ensure that missions compile assessments of the progress and final performance of vendors.

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[8] Ibid., para. 82.

[9] Ibid., para. 86.

88. The Board noted in the current audit that performance reports had not been prepared by substantive requisitioning offices regularly at MINURSO, UNMIS and UNLB and some reports had not been submitted to the Procurement Service. The non-submission of the vendor performance report by the requisitioners to the Procurement Service provides no assurance that the contractor has attained a satisfactory performance as a basis for contract renewal as provided for in section 15.1 (3) of the Procurement Manual.

89. **The Board reiterates its previous recommendation that the Department of Peacekeeping Operations monitor the submission of vendor performance evaluation to the Procurement Service.**

90. The Department of Peacekeeping Operations informed the Board that the web portal through which missions would provide their performance reports was fully operational. UNMIS had developed an electronic vendor performance form and was in the process of disseminating it to self-accounting units. UNLB had implemented procedures to ensure that vendors' performance evaluation reports on local vendors were completed by the self-accounting units and submitted to the Procurement Service.

Performance bonds

91. Section 13.6.3 (3) (j) of the Procurement Manual states that a performance bond, usually ranging from 10 to 30 per cent of the contract price, is generally required from the contractor upon signing of the contract exceeding $100,000, subject to forfeit if the contractor fails to correct satisfactorily a performance failure within 30 days following receipt of such notice. The bond is the United Nations lien against contractor performance.

92. The Board followed up on its previous recommendation[10] that performance bonds should be obtained from contractors in a timely manner and was concerned with the recurrence of similar findings.

93. The Board reviewed 20 samples of systems contracts at United Nations Headquarters and observed that 14 of the contracts totalling $428.4 million had performance bonds equivalent to only $9.04 million, which was $33.8 million short of the $42.8 million minimum required level of 10 per cent. The Board remains concerned about the financial consequences of not having adequate performance bonds in place. At UNFICYP, the Board noted that in 10 of the 11 contracts, the performance bonds obtained were below the required amount. It was also noted that no increase in the amount of performance bond had been obtained despite increases in the contract price as a result of amendments to the original contracts.

94. Review of the vendors registration forms showed that interested vendors were requested only to indicate in their application the maximum amount of the performance bond. As a consequence, the amounts of posted bonds were not based on at least the required minimum amount of 10 per cent of the contract price.

95. Performance bonds pertained only to the original contract periods. Contract extensions arising from amendments were not covered by the posted bond, including amendments for increases of not-to-exceed amounts.

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[10] Ibid., para. 99.

96. The Procurement Service stressed that the decision to require such a bond should be based on such factors as the contractor's reputation and experience and the cost of the bond weighed against the perceived potential risk to the United Nations should the contractor fail to perform the contract satisfactorily. The value of the performance bond was determined by a professional judgment, including various factors, such as the nature of the industry and the financial and/or operational risk to the United Nations as determined by the Procurement Service at the time of solicitation.

97. The Procurement Service commented that the first year of a system contract was normally where contractor performance was under high scrutiny to ensure that quality standards were met. Thus, the risk was reduced after that period and additional performance bond might not be required at all. The figures of 10 to 30 per cent of the contract price were guidelines and did not indicate minimum and maximum amounts.

98. **The Board recommends that the Administration comply with the guidelines of the Procurement Manual to ensure protection against the risk of default on deliveries.**

Procurement staffing

99. The Board followed up on its previous recommendation[11] that the Administration determine the underlying causes of the high vacancy rates in the procurement sections at some of the missions and initiate an appropriate action plan to reduce them to acceptable levels.

100. The Department of Peacekeeping Operations indicated that for some time, United Nations peacekeeping had experienced great difficulty in the recruitment and retention of sufficient numbers of highly qualified and high performing procurement staff with, in particular, direct United Nations procurement experience.

101. It also indicated that it had initiated outreach activities through a note verbale addressed to all the Permanent Missions to the United Nations on 16 February 2006 and a communication dated 20 February 2006 to the directors of human resources management of field-based United Nations agencies, funds and programmes, to attract more candidates in that particular field.

102. In order to address the concerns raised by recent audits, the Department had recruited a group of 10 highly qualified external procurement professionals through the competitive selection process. The provision of intensive training in United Nations procurement policies and procedures prior to their deployment to the missions was in progress. The primary objective of the exercise was to increase the procurement capacity in the field with individuals who could bring technical expertise to the Organization, as well as who would be fully operational with a solid grasp of United Nations procurement rules, policies and procedures on arrival in the mission area.

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[11] Ibid., para. 101.

Procurement planning

103. The Board followed up at certain missions on its previous recommendations[12] on the timely submission and review of procurement plans. A review of key indicators at certain missions revealed ongoing problems, which if left unaddressed could result in inefficient and ineffective procurement activities.

104. As an indicator of the effects of the absence of procurement planning, the Board noted in the current audit of UNMIK that 174 (41 per cent) of the 420 purchase orders raised per mission allotment (excludes miscellaneous obligation documents) were issued during the fourth quarter of the year in the total amount of $15.06 million. Further analysis revealed that $5.74 million (74 per cent) of the fourth quarter purchase orders ($7.75 million) were issued during the month of June 2006.

105. Likewise, at MINUSTAH $25.76 million (26 per cent) of the total obligations of $98.30 million incurred had been raised in the last quarter of the year ended 30 June 2006. Of the $25.76 million, $21.15 million had been issued during the month of June 2006, which represented an increase of 484 per cent from the previous month. MINUSTAH explained that there were special circumstances for the purchase orders.

106. At UNOCI, the annual purchasing plan for 2005/06 was submitted to United Nations Headquarters for a total of $85 million. This submission did not include two sections (information office and security section). UNOCI was unable to produce any formal United Nations Headquarters approval of the annual purchasing plan.

107. For MINUSTAH, the Department commented that the Mission generated monthly reports on the status of unliquidated obligations so that cost centre managers would take the necessary steps to liquidate those obligations that were no longer valid. The large balance of the unliquidated obligations in the accounts for 2004/05 and 2005/06 was due to the worsening security situation under which the Mission operated.

108. **The Board reiterates its previous recommendation that the Department (a) ensure proper procurement planning, and (b) regularly monitor spending patterns to ensure compliance with the procurement plans at MINUSTAH and UNMIK.**

109. The Department concurred with the recommendation that the missions should enforce the use of acquisition plans as a tool to facilitate effective and efficient procurement management. MINUSTAH confirmed that all the obligations raised and retained in the accounts were valid.

Procurement training

110. The Board followed up at certain missions on its previous recommendation[13] that the training needs of procurement officers should be identified and communicated to Headquarters. Appropriate training is an important element of the control environment and service quality. It is also important to ensure a high level of

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[12] Ibid., para. 109.

[13] Ibid., para. 118.

productivity and the proper transfer of skills. The transferring of skills should be regarded as a continuous process.

111. The Board reviewed the level of procurement training provided during 2005/06 and made the following observations:

(a) The training needs of procurement staff had not been formally identified at MINUSTAH and UNMIK;

(b) At MINUSTAH, there was no formalized procurement training for all staff and no budget had been provided. The effectiveness of procurement training given by the Contract Management Unit had not been evaluated;

(c) At UNOCI, appropriate training assistance had not been provided since April 2005.

112. **The Administration agreed with the Board's reiterated recommendation to identify and address the training needs of procurement officers at missions.**

113. The Department indicated that it was committed to ensuring that the required training was provided to improve the skills of its staff, including procurement personnel. To that end, the Department had been working with the Department of Management to assist in finalizing a course calendar for the 2007/08 financial period. In November 2006, the Department of Peacekeeping Operations issued guidance to all peacekeeping missions, including MINUSTAH and UNMIK, on the provision of funds in the budget of the 2007/08 financial period for procurement training pursuant to the advice of the Department of Management.

Implementation of guidelines on ethical principles of staff and suppliers

114. The Board followed up at certain missions on its previous recommendation[14] on the implementation of guidelines on ethical principles for procurement staff.

115. The Secretary-General's bulletin ST/SGB/2006/6 of 10 April 2006 on financial disclosure and declaration of interest statements has been promulgated and implemented. In accordance therewith, international civilian staff of the procurement sections are required to complete the financial disclosure and declaration of interest statement.

116. At the time of the audit, the signing of declarations of independence by the procurement staff at UNMIL was not yet in place.

117. **The Board recommends that the Department of Peacekeeping Operations ensure that all staff involved in procurement sign the declaration of independence.**

Ex post facto approvals

118. Under the delegation of procurement authority for missions, transactions that are estimated by the administrative heads of missions or by his or her authorized delegate to exceed $200,000 must be submitted to the Procurement Service at Headquarters for review by the Headquarters Committee on Contracts. Administrative heads of missions are allowed to make ex post facto procurement

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[14] Ibid., para. 121.

awards and ex post facto presentations to the Procurement Service only in rare cases of exigency.

119. According to section 9.5.2 (1) of the Procurement Manual, exigency is defined as "an exceptional compelling and emergent need, not resulting from poor planning or management or from concerns over the availability of funds, that will lead to serious damage, loss or injury to property or persons if not addressed immediately".

120. The Board noted that MINUSTAH had presented five cases to the Procurement Service for review and final submission to the Headquarters Committee on Contracts for recommendation. The time lag on ex post facto cases not yet reviewed by the Committee is illustrated in tables II.11 and II.12.

Table II.11
Time lag on ex post facto cases not yet reviewed by the Headquarters Committee on Contracts: United Nations Stabilization Mission in Haiti

Description	*Amount (In US dollars)*	*Date submitted by MINUSTAH to Procurement Service for the first time*	*Calculated time lag (in days) from date submitted to Procurement Service to 30 June 2006*
Lease of property for the Jordanian formed police unit Camp de Tuf	639 232	16 December 2005	196
Lease of property for the accommodation of the Spanish military contingent in Fort Liberty	478 000	21 December 2005	191
Amendment of lease established to include additional property and to extended term	2 312 909	18 December 2005	194
Provision of services related to bulk water emptying of septic tanks	2 549 742	7 March 2005	480
Accommodation of military staff officers	1 692 130	1 January 2005	545

Table II.12
Lead time on approved ex post facto cases between the Procurement Service and the Headquarters Committee on Contracts: United Nations Stabilization Mission in Haiti

Description	*Amount (In US dollars)*	*Dated submitted by MINUSTAH to Procurement Service for the first time*	*Calculated lead-time in days between date received by Procurement Service for the first time and date of final recommendation by the Headquarters Committee on Contracts*
Level 3: medical facilities	378 277	5 July 2005	357
Provision of ground fuel	16 238 960	18 May 2005	419
Provision of aviation fuel	6 929 366	26 January 2005	433
Lease of Green Field for Brazilian military contingent	720 000	30 June 2006	39
Lease of Hotel Bahaiya in Forte Liberte	1 117 500	31 May 2005	365
Total	**25 384 103**		

121. Payments were also made to three vendors prior to obtaining authorization in the total amount of $11.49 million. The payments were related to the provisions of aviation and ground fuel and the provision of services related to bulk water emptying of septic tanks.

122. At UNOCI, 11 contracts were awarded after expenditure had been incurred for a total of $4,311,284, compared with 7 such cases (for $1,210,898) in the previous year. Nevertheless, the Board cannot confirm that those are the only cases that occurred since UNOCI does not keep a record of ex post facto cases. UNOCI explained that the cases were due to reinforcements at a time where planning was impossible.

123. The Controller issued a memorandum in September 2005 to all heads of departments and administrative heads of missions explaining that ex post facto cases were increasing at a disturbing rate and that the vast majority of ex post facto cases over the past few years could be attributed to inadequate planning and avoidable administrative delays. The Controller indicated that ex post facto cases exposed the Organization to the risk of claims by vendors owing to a lack of adequate contractual arrangements as well as to justifiable criticism from Member States and oversight bodies of deficiencies in acquisition planning and internal controls.

124. **The Board reiterates its previous recommendation[15] that the Administration monitor ex post facto submissions to ensure adequate justification and accountability for delays.**

Lead times for contract approval

125. The Board followed up on its previous recommendation[16] that the Administration shorten the contract-letting process between the date of submission of cases to Headquarters and the date of the final recommendation of the Headquarters Committee on Contracts. The administration informed the Board that the implementation is ongoing and that it was constrained by the lack of adequate resources. Additional resources, however, were being requested.

126. At UNMIL, the Board noted that despite the lead time being within the range allowed in the Procurement Manual, of the total of 1,142 purchase orders, 470 exceeded a lead time of 60 days while 197 had lead times in excess of 120 days. The Board also noted that there were numerous causes of delays in the procurement process, ranging from revisions of purchase orders and requisitions to delays in releasing goods from the port at customs. Although the procurement support unit continually monitored and followed up on delays in the procurement process, delays were still being experienced.

127. The Department informed the Board that it had improved the monitoring of vendor deliveries and had put in place appropriate measures to further reduce the procurement lead times.

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[15] Ibid., para. 131.

[16] Ibid., para. 137.

Delegation of authority

128. At UNMOGIP, 16 purchase orders aggregating $244,038 were approved by two officers without adequate authority: one officer exceeded his given authority ($125,726) and the other officer had no delegated authority ($118,312).

129. At UNOCI, the Head of Administration delegated his purchasing authority to the Chief Procurement Officer without the possibility to sub-delegate. However, the Board noted that the Chief Procurement Officer had delegated his authority to his assistant in a memorandum dated 30 January 2006. As a result, the assistant approved 231 purchase orders for a value of $11 million during the year.

130. **The Department agreed with the Board's recommendation to comply with the governing rules on procurement related to the delegation of authority.**

Contracts/purchase orders not signed prior to delivery of services

131. At MINUSTAH, the Board noted that contracts with references PD/C0153/04 for the provision of aviation and ground fuel entered into between MINUSTAH and two vendors had not been signed. The Chief Procurement Officer explained that the first contract had been sent to the supplier for signing, and the supplier in return had submitted altered terms and conditions. To date, no consensus had been reached regarding the general terms and conditions.

132. Initial payments had been made with respect to both contracts in the amount of $5.22 million and $12.05 million for aviation and ground fuel, respectively, while the said contracts were submitted to Procurement Service for presentation to the Headquarters Committee on Contracts.

133. At ONUB, the services of a travel agency were acquired for the travel requirements of its personnel on official business, consultants, government representatives and staff members and their dependants without a formal written agreement. Notwithstanding the travel agency's prior agreement with the terms and conditions as evidenced by the notice to proceed issued by ONUB and despite the fact that the agency was already rendering the services for which it had been hired, it continued to make counter proposals regarding the amount of fees.

134. **The Board recommends that the Department strictly enforce the requirement for all contracts to be signed by the contracting parties before the delivery of services and ensure that the finalization of contracts is expedited.**

135. The Department commented that at MINUSTAH, it had no option but to continue with the vendor even without the benefit of a contract considering the indispensable nature of the requirement.

12. Air operations

Analysis of air operations

136. The Department had a fleet of 226 aircraft during the 2005/06 financial period (168 in 2004/05), consisting of 167 (135 in 2004/05) rotary-wing and 59 (53 in 2004/05) fixed-wing aircraft. Table II.13 provides details of the distribution of the United Nations air fleet to the different missions.

Table II.13
Distribution of the United Nations air fleet (at 30 June 2006)

Mission	*Aircraft* *Fixed-wing*	*Aircraft* *Rotary-wing*	*Total*
MINURSO	3	3	6
MONUC	28	73	101
ONUCI	3	8	12
UNFICYP	0	3	3
UNOMIG	1	1	2
UNIFIL	0	7	7
UNAMA	4	0	4
UNMIL	2	22	24
UNIOSIL	0	2	2
UNOTIL	1	2	3
UNMIK	0	1	1
UNMEE	2	3	5
MINUSTAH	1	8	9
ONUB	0	4	4
UNMIS	14	30	44
Total	**59**	**167**	**226**

137. As also experienced in the previous year,[17] the total air transportation budget of $450.7 million ($459.5 million in 2004/05) was not fully utilized. Actual expenditures amounted to $345.7 million ($371.2 million in 2004/05), or $104.9 million (23.3 per cent) less than the amount budgeted. Table II.14 provides a breakdown per mission of funds and flight hours budgeted in comparison to actual usage. The 108,445 (90,973 in 2004/05) total flight hours utilized were 57,264 hours (34.6 per cent) less than the 165,709 (133,296 in 2004/05) hours budgeted.

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[17] Ibid., para 141.

Table II.14
Air operations

A. Expenditures and flight hours

		MINURSO	MINUSTAH	MONUC	ONUB	UNOCI	UNAMSIL	UNFICYP	UNIFIL	UNMEE	UNMIK	UNMIL	UNMIS	UNOMIG	Total
Mission aviation budget (thousands of United States dollars)	Appropriations	9 767.7	17 447.5	180 742.3	12 522.3	38 446.3	16 440.8	1 345.9	1 234.7	17 342.6	2 004.1	47 173.2	104 054.1	2 055.1	450 660.6
	Actual expenditure	6 783.2	14 619.2	138 345.8	4 066.4	25 891.6	9 433.7	1 358.6	1 432.7	9 569.2	527.1	46 232.0	86 101.4	1 325.5	345 686.6
	Variance	-2 984.5	-2 828.3	-42 396.5	-8 455.9	-12 554.7	-7 007.1	12.7	198.0	-7 773.4	-1 477.0	-941.2	-17 952.7	-729.6	-104 890.0
	Percentage variance	-30.55	-16.21	-23.46	-67.53	-32.66	-42.62	0.94	16.04	-44.82	-73.70	-2.00	-17.25	-35.50	-23.28
Flight hours (all contracts)	Budgeted	4 320	7 440	53 287	5 364	10 679	5 933	1 320	780.0	6 552	480	15 240	31 651	1 200	144 246
	Actual	3 834	5 754	41 585	1 616	6 181	2 324	1 325	774	3 204	212	13 408	20 109	1 035	101 360
	Variance	-486	-1 686	-11 703	-3 748	-4 498	-3 609	5	-6	-3 348	-268	-1 832	-11 542	-165	-42 886
	Percentage variance	-11.26	-22.66	-21.96	-69.88	-42.12	-60.83	0.37	-0.82	-51.10	-55.88	-12.02	-36.47	-13.75	-29.73
Extra flight hours	Budgeted	1 500	840	11 836	—	517	1 780	—	—	1 680	160	3 060	—	90	21 463
	Actual	526	260	1 521	—	243	209	—	—	15	—	2 005	2 289	18	7 087
	Variance	-974	-580	-10 315	—	-274	-1 571	—	—	-1 665	-160	-1 055	2 289	-72	-14 376
	Percentage variance	-64.96	-69.07	-87.15	[a]	-52.94	-88.23	[a]	[a]	-99.13	-100.00	-34.48	—	-79.53	-66.98
Total flight hours	Budgeted	5 820	8 280	65 123	5 364	11 196	7 713	1 320	780.0	8 232	640	18 300	31 651	1 290	165 709
	Actual	4 359	6 014	43 105	1 616	6 424	2 533	1 325	774	3 219	212	15 413	22 398	1 053	108 445
	Variance	-1 461	-2 266	-22 018	-3 748	-4 772	-5 180	5	-6	-5 013	-428	-2 887	-9 252	-237	-57 264
	Percentage variance	-25.10	-27.37	-33.81	-69.88	-42.63	-67.15	0.37	-0.82	-60.90	-66.91	-15.78	-29.23	-18.34	-34.56

Note: Data confirmed by the Department of Peacekeeping Operations and in the performance reports of the missions.

[a] Not applicable.

B. Cost of flight hours

(United States dollars)

		MINURSO	*MINUSTAH*	*MONUC*	*ONUB*	*UNOCI*	*UNAMSIL*	*UNFICYP*	*UNIFIL*	*UNMEE*	*UNMIK*	*UNMIL*	*UNMIS*	*UNOMIG*	*Total*
Cost of flight hours	**Budgeted**	7 847.7	16 607.3	171 863.5	12 522.3	37 688.2	15 818.0	1 345.9	1 234.7	15 542.6	1 976.1	41 727.0	104 054.1	2 046.1	430 273.5
	Actual	6 362.7	14 434.8	137 298.1	4 066.4	25 499.8	9 423.3	1 358.6	1 432.7	9 557.5	527.1	43 797.2	83 841.9	1 323.4	338 .923.0
	Variance	-1 485.0	-2 172.5	-34 565.4	-8 455.9	-12 188.4	-6 394.8	12.7	198.0	-5 985.1	-1 449.0	2 070.2	20 212.2	-722.7	-91 350.0
	Percentage variance	-18.92	-13.08	-20.11	-67.53	-32.34	-40.43	0.94	16.04	-38.51	-73.32	4.96	-19.42	-35.32	-21.23
Cost of extra flight hours	**Budgeted**	1 920.0	840.2	8 878.8	0.0	758.2	622.8	—	—	1 800.0	28.0	5 446.2	—	9.0	20 303.2
	Actual	420.5	184.4	1 047.7	—	391.8	10.5	—	—	11.7	—	2 434.8	2 259.5	2.2	6 763.1
	Variance	-1 499.5	-655.8	-7 831.1	—	-366.4	-612.3	—	—	-1 788.3	-28.0	-3 011.4	2 259.5	-6.8	-13 540.1
	Percentage variance	-78.10	-78.06	-88.20	[a]	-48.33	-98.32	[a]	—	-99.35	-100.00	-55.29	—	-75.98	-66.69
Total flight-hour cost	**Budgeted**	9 767.7	17 447.5	180 742.3	12 522.3	38 446.4	16 440.8	1 345.9	1 234.7	17 342.6	2 004.1	47 173.2	104 054.1	2 055.1	450 576.7
	Actual	6 783.2	14 619.2	138 345.8	4 066.4	25 891.6	9 433.7	1 358.6	1 432.7	9 569.2	527.1	46 232.0	86 101.4	1 325.5	345 686.7
	Variance	-2 984.5	-2 828.3	-42 396.5	-8 455.9	-12 554.8	-7 007.1	12.7	198.0	-7 773.3	-1 477.0	-941.2	-17 952.7	-729.6	-104 890.1
	Percentage variance	-30.55	-16.21	-23.46	-67.53	-32.66	-42.62	0.94	16.04	-44.82	-73.70	-2.00	-17.25	-35.50	-23.28

***Note*: Data confirmed by the Department of Peacekeeping Operations.**

[a] Not applicable.

138. In August 2005 the Department issued comprehensive aviation budget guidelines and a template to guide the preparation of the aviation budgets. In addition, the missions were instructed to base all future flight hour projections on the most recent actual usage of the aircraft.

139. In the analysis of the budget as against the expenditures, while there was a decrease in the air transportation appropriations of $10.2 million, the number of budgeted hours increased by 31,633 hours, or 23.7 per cent from that of the previous period, an indication that air operations of United Nations peacekeeping had increased. However, further evaluations revealed that $104.9 million (23.3 per cent) remained unutilized as at the end of the financial period, an increase of 4.1 per cent of the gap between the budgeted amount and the actual expenditures from the previous period.

140. **The Board reiterates its previous recommendation[18] that the Department take appropriate measures to reduce the gap between the budgeted and actual flight hours utilized by missions.**

141. The Department has issued to all missions comprehensive guidelines for the preparation of the 2007/08 budget explaining the process for formulation of aviation estimates. Also, air transport officials from the Department have conducted specialist training on budget preparation at six missions (ONUCI, UNMIL, UNAMSIL, UNMIS, MONUC and UNMEE) to improve the aviation budgeting process.

Vendor registration

142. The vendor registration process begins with the evaluation of potential vendors, including technical and operational assessments by the Air Transport Unit of the Department and a financial review by the Procurement Service, before information is entered into the database on air carriers. This database serves primarily as a supplier master file and lists only vendors that are invited to bid for contracts.

143. In 2005/06 the master file contained data on 159 air carriers (230 in 2004/05); 53 of which had existing contracts with the United Nations. A total of 24 contracts were awarded to 17 air carriers for the 2005/06 financial year. The Department informed the Board that its Air Transport Unit was in the process of re-evaluating all registered air carriers.

144. Registered air carriers were subjected to an operational and technical assessment, but only 16 of the 53 carriers that had existing contracts with the United Nations had been subjected to an on-site aviation quality inspection. Such on-site inspections are required under the Department's aviation quality assurance programme. The Department indicated that, although the pre-qualification of prospective vendors was an important element of the programme, such inspections could not be conducted owing to a lack of resources. The Board is deeply concerned about the Administration's inability to fully implement the pre-qualification of air carriers before contracting with them, thereby compromising the reliability of the aircraft services and the safety of the passengers.

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[18] Ibid., para. 144.

145. **The Department agreed with the Board's recommendation that it conduct an on-site survey and actual assessment visit to the winning vendor before the awarding of a contract to ensure that the technical and operational parameters required were fully complied with.**

146. The Department informed the Board that a comprehensive prioritized programme had been prepared for conducting the current air carriers' inspections. The inspections were planned to coincide with the acquisition process of new contracts so that air carriers under consideration for award of a contract were inspected before the contract was to be awarded.

Aviation staffing

147. The Board followed up on the review conducted in 2000 by the International Civil Aviation Organization on the basis of a recommendation of the Office of Internal Oversight Services and endorsed by the Secretary-General (see A/52/1010) that there should be an increase in aviation experts, to at least have an ideal ratio of 1 Professional to 8.75 aircraft. For the financial year under review, the Air Transport Section had total authorized posts of 12 Professionals but only 10 Professionals were managing the total fleet of 226 aircraft (a ratio of 1:22.6).

148. The Department indicated that a request had been made for additional staffing resources in the submission of the support account budget for 2007/08 to augment the current resources of the Air Transport Section.

Aviation performance reports

149. Analysis of the performance evaluation reports covering a sample of 20 aircraft revealed that 6 had been evaluated only once, in the second year of the contract, while 5 had been inspected four times but all in prior years and none in the current year.

150. **The Department agreed with the Board's recommendation that it monitor on a regular basis the submission of the aviation technical evaluation reports.**

Costing structure

151. The Board followed up on its previous recommendation[19] that the Administration determine whether the change of air operations contracts to the new costing structure had resulted in savings. The Procurement Service informed the Board that it was in the process of recruiting a consultant to determine whether the change of air operations contracts to the new costing structure had resulted in savings and reflected current commercial practices.

Aviation Safety Council

152. The Department's Aviation Safety Manual provides that an Aviation Safety Council shall be established at United Nations Headquarters and in each United Nations field activity that routinely conducts flight operations. The Headquarters Council will be chaired by the Under-Secretary-General for the Department of Peacekeeping Operations and will meet at least once every six months or when

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[19] Ibid., para. 168.

deemed necessary by the Chairman. The Council in field offices will be chaired by the Chief Administrative Officer/Director for Administration.

153. **The Board recommends that the Department establish the Aviation Safety Council to provide guidance on air safety.**

154. The Department considers that the issue of aviation safety should now be addressed in the broader context of overall safety management. As a major stakeholder, the Department is in discussion with the Department of Safety and Security, which takes the lead on all safety matters, on how the establishment of the Aviation Safety Council could be best achieved.

Tracking system

155. The Board followed up on its previous recommendation[20] that the Department expedite the aircraft tracking system feasibility assessment and implement the tracking system at all missions. The General Assembly, in its resolution 59/299, requested the Secretary-General to undertake further analysis on functions that could be transferred to UNLB. In response to that request the Secretary-General included in his report (A/60/715) a proposal for the establishment of a strategic air operations centre, which would also undertake tracking of the United Nations air fleet at UNLB.

156. The Secretary-General's report was discussed and approved by the General Assembly in its resolution 60/267. Accordingly, the Department requested the required resources in the UNLB budget for the 2007/08 financial period.

Non-United Nations passengers

157. Non-United Nations passengers were allowed to board United Nations aircraft and travel to different regional destinations in the Sudan without the approval of authorized United Nations officials. Two flight requests were granted for which the purpose of travel was unrelated to the UNMIS mandate; and one flight request was not accompanied by a signed waiver of limited liability form.

158. The policy with respect to the carriage of non-United Nations passengers on UNMIS aircraft was detailed in an administrative instruction dated 17 April 2006 which delegated the chief of staff or the regional head of offices the authority to approve non-United Nations passenger travel on United Nations flights for reasons of efficiency. UNMIS pointed out that a reminder had been sent to the Movement Control Unit and that a review of the administrative instruction was currently under way, as well as the designing of a one-page form that included both the liability waiver and the non-United Nations aircraft passenger booking request.

159. **The Department agreed with the Board's recommendation that the rules on carrying non-United Nations passengers be complied with.**

160. The Office of the Mission Support in facsimiles dated 20 October 2006 reminded all missions to ensure strict compliance with established procedures relating to the travel of non-United Nations personnel and the release of the Organization from liability regarding air travel.

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[20] Ibid., para. 178.

Executive jets

161. The Board followed up on its previous recommendation[21] that MONUC undertake and document a cost-benefit analysis to contribute to the justification of the need for executive jets. The Department clarified that the high-speed aircraft was an operational necessity to provide logistics support to the Democratic Republic of Congo election. The Department nevertheless indicated that a review of transportation scheduled for the second quarter of 2007 would cover fleet utilization and segment optimization of air assets deployed at MONUC, including executive jets.

162. **The Board reiterates its previous recommendation that MONUC urgently review the cost effectiveness of its use of executive jets.**

13. Vehicle fleet management

Overview

163. Vehicle fleet management involves measures instituted by management to ensure, inter alia, that the vehicle fleet: (a) is acquired, utilized, maintained, replaced and disposed of economically and efficiently; and (b) plays an effective role in rendering services.

164. At 30 June 2006, peacekeeping operations accounted for a total fleet of approximately 15,532 vehicles valued at $428.2 million, overseen by the Surface Transport Unit.

Fuel monitoring

165. In its audit report No. AP2005/650/05 on 28 June 2006, the Office of Internal Oversight Services reported that owing to weaknesses in internal controls, UNMIK had overpaid a fuel supplier $2.3 million over a period of more than four years. UNMIK decided to withhold payments to the supplier from September 2005 to February 2006. That amount is reflected in accounts payable at 30 June 2006.

166. The reason for the overpayment was that the fluctuation in the price per litre was not adequately verified in relation to the contract signed with the supplier. The Board noted that UNMIK had subsequently strengthened the controls and that changes in the price per litre were now verified for accuracy against the contract.

167. UNMIK indicated that it had encountered difficulty in the procedure as the Supply Section had to manually compare the invoices received from the fuel supplier to the statement, since it could not rely on the reports generated from FuelLog for invoice matching against the supplier invoice. The Supply Section and the Communications and Information Technology Section also indicated that errors in FuelLog had occurred during the transfer of data from servers. The Board is concerned that the back-up FuelLog files were not tested regularly to ensure that the data is accurate in the event of restoration.

168. **The Board recommends that the Department (a) take urgent steps to recover overpayment, (b) report errors to the FuelLog manufacturers and (c) test back-up procedures.**

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[21] Ibid., para. 193.

169. The Administration informed the Board that the Communications and Information Technology Section was currently coordinating with all the concerned units to determine the cause for the errors encountered and would report the issue to the manufacturer for a resolution. If the investigation found that there were errors during the restoration procedures, the Section would determine the underlying cause for the errors to prevent any future recurrence and report on all findings accordingly. Furthermore, the Section, together with the Transport and Supply Sections, would undertake a reconstruction of data from available archives. The Section also indicated that it would conduct a quarterly restoration exercise of data backed up in tape media to verify the accuracy of data backed up.

Vehicle utilization

170. The provisional surface transport management procedures for the field (2004) stipulate that asset management units should ensure that vehicles are rotated periodically to obtain maximum utility. However, this was not done systematically at certain missions.

171. The Board noted that in UNMIK, UNMIS and UNOCI there was an uneven usage of vehicles of the same category owing to the lack of implementation of the vehicle rotation policy.

172. **The Board recommends that the Department enforce the vehicle rotation policy.**

173. The Department informed the Board that it had sent facsimiles dated 10 February 2006 reminding all missions of the need to rotate vehicles in the same category in order to ensure, as far as feasible, their even usage. In this regard, the missions were requested to routinely review their vehicle usage in order to identify underutilized vehicles and implement the rotation as appropriate.

Vehicle replacement

174. The Department's Standard Cost and Ratio Manual sets out the policy and criteria of the Department for vehicle replacement. The point at which it is no longer economical to continue to operate a particular vehicle varies from one vehicle to the next, but as a general rule it is a function of either its age (six to seven years) or the distance travelled (140,000-180,000 kilometres).

175. At UNMOGIP, of the fleet of 58 vehicles, 24 vehicles were used despite the total distance travelled exceeding 180,000 kilometres, the criteria set for replacement mileage. The Department informed the Board that 34 vehicles were projected/budgeted for replacement in 2006/07 and that it was awaiting approval of the initial request to purchase five 4-wheel drive vehicles and eight mini-buses.

176. At UNMIL, seven vehicles that were acquired in 1999 and were currently in use had mileage exceeding 200,000 kilometres. The Department assured the Board that UNMIL vehicles in excess of the 180,000 kilometres mileage were all currently operating in and around Monrovia where the road conditions were good. That was to ensure that the vehicles were not damaged by the poor road conditions and could also be monitored closely to prolong their lives and prevent costly repairs.

177. **The Board recommends that the Department monitor maintenance costs, specifically for older vehicles with high mileage, when considering replacements.**

178. The Department commented that the guidance for the 2005/06 budget showed two replacement criteria to be met by passenger vehicles in normal operating conditions: six to seven years and 140,000-180,000 kilometres. The replacement criteria were minimum requirements that did not preclude proper exercise of delegations in individual cases. The Department, in conjunction with the missions, was working towards replacing vehicles through the usual budget and acquisition processes.

CarLog implementation

179. The Board noted that there were 786 uninstalled CarLogs at UNMIS and another 88 at UNFICYP. At UNMIS, this was due to the lack of trained personnel capable of installing and operating the equipment. UNFICYP reported that 63 vehicles could not be fitted with CarLog owing to technical reasons while the installation would be effected in 25 other vehicles as soon as technical problems had been addressed.

180. **The Board recommends that the Department address the training needs and the technical issues relating to CarLog system implementation.**

181. The Department commented that the installation of 285 CarLog units at UNFICYP had been completed in December 2006 and appropriate training had been provided to the personnel of the Transport Unit. The remaining 24 CarLog units were being held as a replacement stock. UNMIS indicated that two staff members from UNMIK on temporary duty would start installing CarLogs on vehicles operating in El-Obeid, the Sudan, while representatives from the CarLog's vendor would conduct training on installation and software usage.

CarLog and FuelLog information

182. At UNMIK, the reports generated showed discrepancies in five vehicles with abnormally high kilometres ranging from 426,539 to 826,538 kilometres. UNMIK explained that the discrepancies were a result of a malfunction in the on-board CarLog unit.

183. Furthermore, analysis of the information recorded in the FuelLog showed that recorded litres filled exceeded the maximum fuel tank capacity, which according to UNMIK was a result of a calibration error.

184. **The Department agreed with the Board's recommendation that it investigate the cause for the discrepancies and errors contained in the reports generated from CarLog and FuelLog and implement the measures to rectify those errors.**

Accident costs

185. The Department has developed a database reflecting accident statistics per user group. The database has been active since January 2005. For the financial period 2005/06, a total of 7,043 accidents occurred, resulting in accident costs estimated at $2,494,267. The details of the accidents and costs at missions are illustrated in table II.15.

Table II.15
Accident statistics according to the Department of Peacekeeping Operations, 2005/06

(Costs in United States dollars)

	Vehicle user group/substantive office						
	Administration	*Contractors*	*Civilian police*	*Military observers*	*Contingent-owned equipment*	*Political*	*Total*
Accidents over $500	**585**	**166**	**1 593**	**127**	**79**	**470**	**3 020**
Accidents under $500	**1 499**	**355**	**549**	**689**	**148**	**783**	**4 023**
Total number of accidents	**2 084**	**521**	**2 142**	**816**	**227**	**1 253**	**7 043**
Total costs of accidents over $500	**469 007**	**111 507**	**291 293**	**304 869**	**20 335**	**218 924**	**1 405 935**
Total costs of accidents under $500	**348 542**	**59 786**	**407 770**	**99 477**	**14 376**	**158 381**	**1 088 332**
Total cost	**817 549**	**171 293**	**699 063**	**404 347**	**34 711**	**367 305**	**2 494 267**
Number of vehicles per user group (+/-)	**9 492**	**308**	**1 868**	**966**	**659**	**2 239**	**15 532**
Number of vehicles written off per user group	**39**	**2**	**52**	**24**	**4**	**19**	**140**
Average cost per accident	**392.30**	**328.78**	**326.36**	**495.52**	**152.91**	**293.14**	**354.15**

186. Table II.16 reflects the reports of accidents from 12 missions for the financial period 2005/06. There were 330 cases that pertained to off-duty travel, including 5 accidents during travel on liberty use.

Table II.16
Report of accidents, 2005/06

Mission	*Number of vehicles*	*Number of accidents*	*On duty*	*Off duty*	*Total cost (United States dollars)*
MONUC	**2 690**	**1 236**	**1 137**	**99**	**195 459**
UNLB	**198**	**14**	**14**		**5 768**
UNMIS	**2 607**	**207**	**191**	**16**	**162 046**
UNOMIG	**227**	**24**	**23**	**1**	**24 163**
UNMIK	**2 131**	**2 473**	**2 383**	**90**	**799 562**
UNMIL	**1 900**	**1 177**	**1 118**	**59**	**489 469**
UNMEE	**608**	**292**	**258**	**34**	**94 856**
ONUCI	**1 105**	**412**	**383**	**29**	**359 892**
UNMOGIP	**53**	**13**	**13**	**0**	**7 451**
MINUSTAH	**1 112**	**1 195**	**1 193**	**2**	**356 076**
UNFICYP	**103**				
UNIFIL	**898**				
ONUB	**758**				
UNAMSIL	**6**				
MINURSO	**489**				
UNDOF	**647**				
Total	**15 532**	**7 043**	**6 713**	**330**	**2 494 267**

187. At UNOCI the Board observed that the number of vehicles damaged during an accident that were written off had increased (11 in 2004/05, 19 in 2005/06) and represented 46 per cent of vehicles written off. If, as a result of an accident, a vehicle suffered damages that were uneconomical to repair and the estimated repair cost was far above 30 per cent of the depreciated value, it was written off. That was the case for 12 vehicles upon reaching an average of 45,827 kilometres; one had only 6,500 kilometres.

188. In 2005/06, 349 UNOCI vehicles were involved in accidents, 25 of them in major accidents. UNOCI developed driving safety awareness campaigns, in the form of documents of sensitization sent by mail to all personnel. A policy on violations was issued, according to which a third offence could result in the permanent withdrawal of UNOCI driving privileges.

189. The Board recommends that the Administration review and assess the effectiveness of its policies and guidelines on the use of United Nations vehicles.

190. The Department informed the Board that drivers had been responsible for less than 40 per cent of the accidents. Furthermore, 60 per cent of the cases were considered minor given the extent of repairs, and less than 1 per cent of the total fleet of over 15,000 vehicles had resulted in a write off.

191. The Department also informed the Board that the overall accident ratio for the period ended 30 June 2006 was 1 accident per 16,209 kilometres covered. In cases where United Nations drivers were at fault, the ratio was 1 accident per 39,486 kilometres. The Department considered those ratios reasonable taking into account such factors as the difficult and varied driving conditions existing in mission areas.

192. The Department has implemented measures regarding road safety in the missions, including appointing road safety officers, organizing road safety week in missions, withdrawing driving privileges and using CarLog to monitor speed limits. To increase the focus on safety issues, the Department has appointed a Transport Safety Officer at Headquarters. These initiatives resulted in a 9 per cent reduction of the cost per accident of $389 in 2004/05 to $356 in 2005/06.

Speeding violations

193. The provisional surface transport management procedures for the field provide for authorized speed limits that must be observed at all times while an information circular issued on 17 April 2006 entitled "Surface transport conduct administrative procedures", provides for disciplinary measures against drivers of United Nations vehicles who violate the speed limit.

194. At UNFICYP, there were 5,518 cases of speeding violations covering 219 trips. The Board noted that although the Force Military Police Unit had produced traffic violation reports, the offenders and their respective supervisors had been informed in accordance with current policy and administrative action had been imposed as necessary, records disclosed that except for sanctions imposed on three offending drivers, there had been no other disciplinary actions.

195. At UNLB, there were a total of 119 speeding violations involving 22 drivers of 17 vehicles, ranging from 132 to 172 kilometres per hour. UNLB indicated that it had issued letters of caution, reminders and advisories on safety and traffic rules and regulations to each violating staff member.

196. At UNOCI, during the period under review, 700 excess speed reports were issued and 35 driver's permits were withdrawn (including 6 permanent withdrawals).

197. **The Department agreed with the Board's recommendation that it impose the appropriate disciplinary measures and consider the scale and effectiveness of the sanctions.**

198. The Department informed the Board that it was its intention to establish well-trained and equipped traffic enforcement units and to implement more effective safety campaigns with a view to promoting road safety and improving the behaviour of the operators of United Nations vehicles.

199. The UNLB Training Centre conducted 158 training exercises during the year ended 30 June 2006 in support to peacekeeping operations. The Board however, noted that a course on off-road driving, which could have addressed matters involving road accidents, had not been offered.

200. The Department informed the Board that the Integrated Training Service was in the process of developing a module on safe driving that would be part of the generic training module library. The module, which was scheduled to be completed during the second quarter of 2007, would be shared with UNLB and the missions for inclusion in their training programmes.

Vehicle trip tickets and fuel coupons

201. Section 17.2.5 of the provisional surface transport management procedures for the field (2004) requires the submission of duly completed trip tickets by the fifth day of the following month. At UNMIS, 19 trip tickets and fuel coupons from 10 4-wheel drive vehicles covering the period from April to June 2006 were not submitted to the Chief Transport Officer.

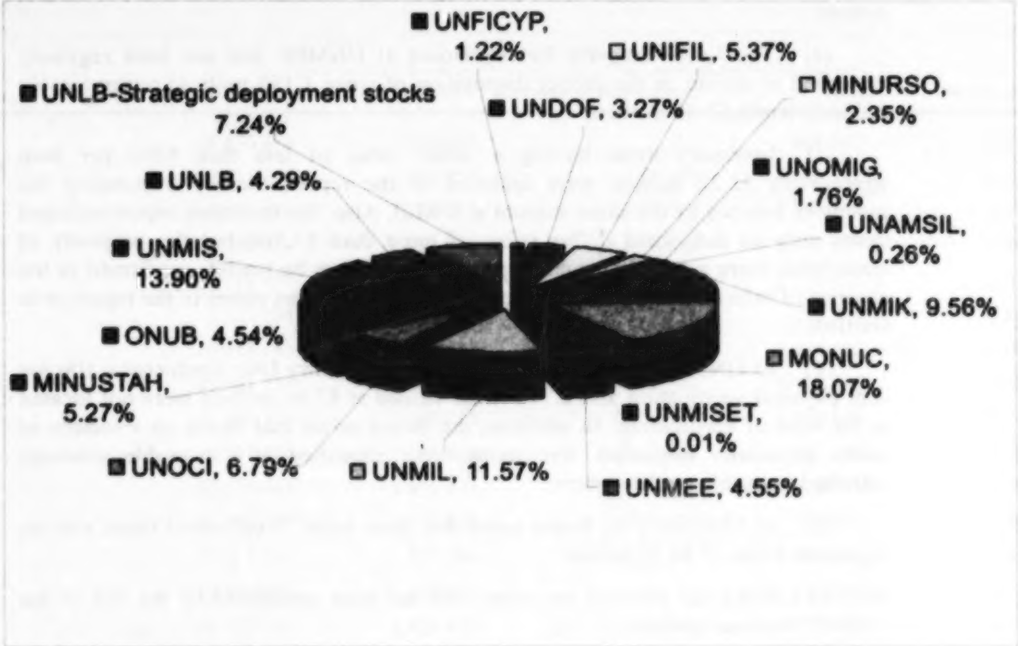
14. Asset management

Overview of movements of non-expendable property

202. The value of non-expendable property increased by 17 per cent, from $1.04 billion at 30 June 2005 to $1.22 billion at 30 June 2006. Acquisitions amounted to $276.5 million, while disposals and other adjustments amounted to $95.2 million and write-offs to $4.4 million.

203. Figure II.8 shows the percentage of distribution of non-expendable property.

Figure II.8
Non-expendable property per mission as at 30 June 2006



Custody and control of equipment

204. The Board recommended in its previous report[22] that the Administration ensure the proper custody, control and disposal of non-expendable property. However, in the current year, the Board has the following additional observations.

(a) At MINURSO, the average period of time for the writing-off procedure took approximately four months, with six items pending for more than a year with the Headquarters Property Survey Board;

(b) The average percentage of physical verification of non-expendable property at UNMIS was noted at 5.3 per cent, which was below the 10 per cent requirement under section 59 of the administrative instruction dated 9 May 2006;

(c) At UNFICYP, a total of 27 items aggregating $30,317 were recorded in the Galileo system as "not located" owing to inability of the self accounting units to properly document the transfer of the items from one accountable officer to another. In addition, UNFICYP had three cases of write-off of communication equipment aggregating $89,130 pending with the Headquarters Property Survey Board for periods from 6 to 20 months;

(d) A delay was noted in the recording in the Galileo system on 5 July 2006 of items received by ONUB on 18 May 2006 amounting to $15,085. Furthermore at UNMEE, a delay was noted in updating the Galileo system as regards 58 vehicles worth $850,809 that were reported written off in the status report of the Local Property Survey Board. Similarly, at UNMIL, the Galileo system was not updated to keep track of the location of the assets as well as the inclusion of all items in the system;

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[22] Ibid., para. 233.

(e) The Local Property Survey Board at UNMEE had not been regularly convened to decide on the proper disposition of some 1,195 units of unserviceable property worth $3.46 million;

(f) Inventory items having a dollar value of less than $500 per item aggregating $2.22 million were included in the report, thereby overstating the inventory balance by the same amount at UNLB. Also, the inventory report included items with an individual dollar value of more than $1,500 but the propriety of classifying them as non-expendable property could not be readily confirmed in the absence of information on the serviceable lives of the items either in the report or in Galileo;

(g) At UNMIL, the Property Control and Inventory Unit conducted a 100 per cent physical verification and 2,746 items valued at $7.46 million were not located at the time of verification. In addition, the Board noted that based on a sample of assets physically inspected, five items were identified as not usable although reflected as usable on the system;

(h) At UNOMIG, the Board noted that there were 77 unlocated items with an aggregate value of $0.11 million.

205. At UNOCI the physical inventory had not been completed by the end of the 2005/06 financial period.

206. **The Department agreed with the Board's reiterated recommendation that it ensure the proper custody, control, recording and disposal of non-expendable property.**

207. The Department commented that the Property Management Manual containing detailed guidance on the management of property had been issued and copies had been circulated to all missions on 8 January 2007.

Property written off or pending write-off

208. Property valued at approximately $62.5 million (based on original costs) in respect of 15 missions and UNLB was written off during the financial period ended 30 June 2006, compared with $43.7 million in the previous period. The $62.5 million included $4.4 million representing write-offs attributable to damage, theft, accidents and other losses.

209. Similarly, property pending write-off and disposal as at 30 June 2006 amounted to $39.8 million, compared with $39.3 million as at 30 June 2005. Approximately $25.4 million (64 per cent) of the $39.8 million was pending approval, while the balance of $14.4 million (36 per cent) had been approved but was pending disposal. Delays in disposal would result in additional cost of storage plus potential loss of value on disposal.

210. The Board's further analysis disclosed that inventories pending write-off and disposal per active mission accounted for from 0.13 per cent (UNMIS) to 9.30 per cent (UNLB) of their inventories as shown in table II.17.

Table II.17

Inventories pending write-off and disposal as at 30 June 2006 in active missions and the United Nations Logistics Base

(United States dollars)

		Pending write-off and disposal			
Mission	*Inventory*	*Pending approval*	*Approved/pending disposal*	*Total*	*Percentage*
UNFICYP	14 870 481	668 042		668 042	4.49
UNDOF	39 811 233	465 877	1 183 915	1 649 792	4.14
UNIFIL	65 401 446	1 378 531	828 587	2 207 118	3.37
MINURSO	28 585 186	316 507	1 853 138	2 169 645	7.59
UNOMIG	21 416 457	381 205	755 220	1 136 425	5.31
UNAMSIL	3 129 794	—	213 511	213 511	6.82
UNMIK	116 418 147	4 792 082	614 538	5 406 620	4.64
MONUC	220 187 051	6 365 179	3 053 713	9 418 892	4.28
UNMEE	55 456 260	969 025	2 487 623	3 456 648	6.23
UNMIL	140 917 766	3 045 420	1 616 416	4 661 836	3.31
UNOCI	82 670 465	1 971 172	5 567	1 976 739	2.39
MINUSTAH	64 239 760	577 127	231 928	809 055	1.26
ONUB	55 253 316	757 504	258 141	1 015 645	1.84
UNMIS	169 333 473	227 876	—	227 876	0.13
UNLB	40 725 123	2 921 462	864 002	3 785 464	9.30
Strategic deployment stocks	88 242 521	85 150	31 343	116 493	0.13
Total	**1 216 869 140**	**25 363 517**	**14 419 465**	**39 782 982**	3.27

211. The Board noted that the Headquarters Property Survey Board, which served all agencies of the United Nations on procurement matters and cases of write-off falling within its level, had a backlog of at least 400 cases. Further, the threshold established setting the limits of authority had been set many years ago when prices of items of non-expendable property were lower and missions were few.

212. **The Board recommends that the Administration expedite the approval of write-off and disposals of non-expendable property that meet the criteria for such action.**

213. The Department commented that the write-off and disposal module in the Galileo system had been implemented in 18 missions. The system assisted missions to more accurately monitor the write-off process. The Department anticipated that the module would be implemented in the remaining missions by the fourth quarter of 2007.

214. **The Board recommends that the Department revisit the delegations of authority for the purpose of aligning limits with current situations and study the possibility of setting up a Headquarters property board within the Department to expedite processes on approval of write-offs and disposals.**

215. The Department considered that an increase in the current level of delegation of authority to the missions to handle property survey cases would reduce the volume of cases referred to the Headquarters Property Survey Board and its corresponding workload and would facilitate the prompt processing of cases referred to it. The Department would make a proposal to the Department of Management for a review of the current delegation of authority regarding the processing of property survey cases.

15. Contingent-owned equipment

Memorandums of understanding

216. The actual deployment of troops by contributing countries to peacekeeping operations must be preceded by a signed memorandum of understanding that stipulates the obligations of the troop-contributing country and the United Nations and provides a listing of personnel, the level of self-sustainment requirements and major equipment known as contingent-owned equipment, to be provided by the troop-contributing countries, including with maintenance (wet-lease category) or without maintenance (dry-lease category).

217. The timely finalization of memorandums of understanding had always been noted to be the problem of the Department of Peacekeeping Operations. The Board noted that, as at 20 October 2006, there were 70 memorandums of understanding still not signed. In many cases, contingents were deployed under the terms of a draft memorandum of understanding due to the lengthy approval process. Since August 2005, the average process time for the Department was 112 days from start of the negotiations to the completion of the final draft of the memorandum of understanding and another 63 days for the Government to review the final draft. In an attempt to reduce the time required for the signing of memorandums of understanding, the Department initiated visits for troop-contributing countries to familiarize themselves with the mission area and to determine the overall equipment level and self-sustainment positions prior to the commencement of negotiations.

218. **The Department agreed with the Board's reiterated recommendation[23] that the Administration continue to improve the timely finalization of the memorandums of understanding.**

219. The Department commented that memorandums of understanding between the United Nations and troop-contributing countries should be perfected prior to the deployment of troops. Because of the time frames in the negotiations, most deployments to peacekeeping missions occurred prior to the signing of memorandums of understanding. The overall equipment levels and self-sustainment positions were agreed upon in principle and a draft memorandum of understanding was prepared. A copy of the draft memorandum of understanding was forwarded to the missions for the preparation of the inspection and verification reports. The Department did not certify claims for payment unless the relevant memorandum of understanding was signed by the troop-contributing country. The Department continued to improve the coordination and negotiation of the memorandum of understanding with troop-contributing countries. Experiences showed that a more realistic and meaningful goal was to deliver a final draft memorandum of understanding to the troop-contributing country for its review within three months

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[23] Ibid., para. 427.

of the start of negotiation. Additional measures had been put in place to achieve those goals, inter alia, regular contingent-owned equipment briefings to the incoming military advisers, working draft memorandums of understanding prior to pre-deployment visits, pre-deployment visits to the troop-contributing countries and accurate and tailored draft memorandums of understanding based on the discussions in the pre-deployment visit.

16. Strategic deployment stocks

Financial overview

220. Strategic deployment stocks (non-expendable property) were valued at approximately $88.2 million as at 30 June 2006, compared with $60.8 million in the previous financial period. Table II.18 shows the movement during the financial year.

Table II.18

Movements of strategic deployment stocks, 2005/06

(Thousands of United States dollars)

Opening balance	60 823
Purchases	56 311
Received from other missions	84
Transfers	(29 584)
Written off and sold	—
Adjustments	609
Closing balance	88 243

Shipments of strategic deployment stocks

221. At UNLB, the Board noted that 69 shipments extracted on a sample basis from the Galileo system covering the financial year 2005/06 incurred an average delay of 55.4 days between the material release order dates and the actual dates of shipment. The Galileo system also showed that delays covering 17 shipments or 24.6 per cent of the total shipments exceeded 90 days.

222. UNLB commented that the delays indicated above pertained mostly to cargo consolidation shipments, which had an extended shipping lead time but were the most cost-effective for the Organization. UNLB further commented that current analysis of lead times starting with the material release order approval date should not be considered for cases of large shipments as consolidation time for such shipments might span over 30 days. Only upon processing of the approved material release orders did UNLB request Headquarters to proceed with procurement process for sea-air freight contract. That process entailed additional weeks to the individual and multiple material release order of particular consolidated cargo.

223. **The Board recognizes that cargo consolidation could be cost-effective. Nevertheless, the Department agreed with the Board's recommendation that it reduce shipping time lags so as not to hamper the operations of the recipient field missions.**

Policies and procedures on strategic deployment stocks

224. The Board followed up on its previous recommendation[24] that the Administration expedite the promulgation and implementation of its policies and procedures on strategic deployment stocks as a matter of priority. The Administration informed the Board that the policy directive document had been promulgated on 14 February 2007.

Replenishment of strategic deployment stocks

225. The strategic deployment stocks scheme was conceptualized to be a reserve for the immediate deployment of equipment to peacekeeping operations in times of need. For this purpose and to ensure that UNLB is always in a state of readiness, it was intended that strategic deployment stocks be maintained as a revolving inventory and as such would be replenished from the receiving mission's budgets as frequently as necessary.

226. The Board noted that a tracking system (Galileo) to match replenishments received with the material release orders issued was not in place. This was not in line with the provision under paragraph D.4 of a policy directive dated 30 January 2006 which was intended to a rapid replenishment action for every release of strategic deployment stocks. The practice of the Administration requiring that shipments should be duly recognized by recipients as a precondition to processing replenishment orders placed the stocks at risk of being critically low to the point that UNLB would be unable to respond fully to urgent needs.

227. **The Board recommends that the Department comply with the policy directive, which stipulates that replenishment action should commence at the time of the release of stocks.**

Receipt and inspection of shipments at the United Nations Logistics Base

228. The Board noted that inspections for 24 out of 141 shipments or approximately 17 per cent had exceeded the 26 days lead time for inspection adopted by UNLB for the financial period 2005/06, ranging from one day to one month after the deadline.

229. UNLB explained that the delayed completion of receipt and inspection reports was caused by several factors, inter alia: (a) incomplete documentation required for technical acceptance in terms of the internal procedures established by the self-accounting units prior to acceptance; (b) partial deliveries for complex systems for which inspection can be finalized only upon receipt of all parts; and (c) receipt of assets for which new codification is required.

230. **The Department agreed with the Board's recommendation that it conduct inspections of shipments of strategic deployment stocks within the established time frame.**

Storage of generators

231. Paragraph 10.2 of the standard operating procedures on strategic deployment stocks dated 30 January 2006 provides that asset managers in the Logistics Support

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[24] Ibid., para. 240.

Division would determine the maintenance schedule and storage regimes for each commodity.

232. The Board was concerned that while 271 electric generators costing some $2.2 million were provided with protective coverings, 153 units with a total cost of $1.9 million were stored in an open area, thus exposing them to external elements that could cause deterioration.

233. **The Department agreed with the Board's recommendation that it institute measures to provide appropriate protection for electric generators to preserve their operational capability.**

234. The Department indicated that it had initiated the necessary measures to address the most pressing storage and maintenance issues.

17. Inventory management

235. As at 30 June 2006, UNMIL had expendable equipment valued at $56.43 million ($42.58 million in 2005), consisting of various categories of stock in warehouses for information and communication technology equipment, engineering equipment, transport equipment and supplies. In its previous audit, the Board expressed concern regarding controls on expendable stock and recommended that UNMIL set minimum and maximum stock levels to ensure economic and efficient procurement and storage of expendable stock. An inspection of details recorded on Galileo as at 31 August 2006 indicated that the sections were either in the process of implementing minimum and maximum levels on Galileo or the process had not yet been initiated.

236. **The Department agreed with the Board's recommendation that the Department monitor stock levels of expendable equipment by establishing and maintaining minimum and maximum stock quantities.**

237. The mission management has since determined the minimum and maximum stock levels for 95 per cent of its stock items, and was busy with the remaining 5 per cent. The mission management also informed the Board that ongoing reviews of reorder levels of approximately 10 per cent of all stock was conducted monthly by the Engineering Services Section.

Vehicle spare parts stockholding

238. The Board noted that MINURSO had spare parts valued at approximately $1.6 million equivalent to four-year consumption as indicated in the report of the Office of Internal Oversight Services (AP2005/600/20) dated 19 January 2006.

239. Despite the finding of the Office of Internal Oversight Services on overstocking, the Board noted that MINURSO had procured additional spare parts aggregating $297,497 during the financial period 2005/06. The Board also noted that despite the existence of vehicle parts becoming unserviceable due to obsolescence and/or becoming surplus to operating requirements, no immediate report was made for their prompt disposal except for those that pertained to UNMIBH reported on 3 July 2006.

240. **The Board recommends that the Department plan the acquisition of spare parts with due regard to realistic estimates of consumption and fast track the disposal of unserviceable and obsolete items.**

241. The Department commented that the Logistics Support Division had requested the missions to submit monthly reports on their stock of spare parts and planned acquisitions to reduce the ratios of spare parts holdings to 5 per cent of inventory value for administrative vehicles and 6 to 9 per cent for logistics, specialized, mine-protected and armoured vehicles.

18. Integrated missions

242. The Board previously reported[25] that aside from a lack of documented policy and guidelines, the Department had no formal definition of an integrated mission. As a result, the functions and structure of an integrated mission and the resulting roles and responsibilities of the various actors were not clearly understood.

243. In its previous recommendation,[26] the Board urged the Administration to continue to pursue and formalize the concept of integrated mission partnerships and to determine their functions, structure and role, as well as to finalize guiding principles, policies and guidelines to govern integrated missions.

244. The Board acknowledged that on 7 February 2006, following extensive inter-agency consultations, the Administration had issued a revised note of guidance on integrated missions, which addressed the concerns expressed in the recommendation. The guidance note provided for the roles of the Special Representative of the Secretary-General, the Deputy Special Representative of the Secretary-General, the Regional Coordinator and the Humanitarian Coordinator.

245. In its previous report[27] the Board recommended that relative to the concept of integrated missions, the Administration, using the United Nations Development Group platform, consult extensively with the United Nations country teams from the first phase of the mission-planning process to ensure that their specialized knowledge and expertise were utilized.

246. The Board took note of the guidelines on the integrated missions planning process and endorsed by the Secretary-General's Policy Committee on 13 June 2006. Section 1.1.1 of the guidelines addresses the recommendation regarding the establishment of an integrated mission task force. The integrated missions planning process was approved as the process for United Nations system-wide planning for integrated missions for post-conflict situations.

19. Regional coordination

247. In its previous report[28] the Board recommended that the Administration, in collaboration with the relevant missions, develop and implement regional coordination plans aligned to the missions' objectives. Such coordination, when properly planned and implemented, could strengthen the common goal of the missions and that of the Organization.

248. The Administration indicated that a "plan" for regional coordination was not appropriate but, where useful, would be undertaken through regular and systematic communications, information exchange and political interventions to address arms

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[25] Ibid., para. 277.

[26] Ibid., para. 278.

[27] Ibid., para. 284.

[28] Ibid., para. 289.

control, illicit/foreign armed groups and other issues that were by definition "cross-border".

249. The Administration cited the exchanges and interventions that have occurred with regard to MONUC and ONUB in the Great Lakes framework to address various cross-border issues; MONUC and UNMIS to address cross-border arms trafficking and foreign armed groups; and UNMIL and UNAMSIL to address arms control and cross-border issues.

250. **The Board reiterates its previous recommendation that the Administration, in collaboration with the relevant missions, expedite the implementation of regional coordination plans that are aligned to the missions' objectives.**

Inter-agency coordination

251. The importance of increased coordination between United Nations agencies was reaffirmed by the Secretary-General in his report to the General Assembly at its fifty-ninth session (A/59/2005, para. 198): "at every stage of United Nations activities, the senior United Nations official present in any given country — special representative, resident coordinator or humanitarian coordinator — should have the authority and resources necessary to manage an integrated United Nations mission or 'country presence' so that the United Nations can truly function as one integrated entity".

252. The Board noted that UNOMIG had been in close coordination with other entities of the United Nations in such areas as providing telecommunication services and allowed the use of the UNOMIG common area for parking space. UNOMIG had also extended financial services to the United Nations Development Programme through the UNOMIG bank account in Tbilisi. In terms of supply acquisition however, UNOMIG still had to initiate inter-agency coordination with the Inter-agency Procurement Service Office and Inter-Agency Procurement Working Group to benefit from the activities of the organizations. This undertaking would contribute to the Mission's cost-saving programme on procurement although in the previous year it had initiated a cooperative undertaking with UNICEF in the procurement of medicines and related medical accessories.

253. **The Board recommends that the Department coordinate with other United Nations agencies and United Nations accredited groups in terms of establishing consultative and collaborative arrangements at the country level, especially the Inter-agency Procurement Service Office and the Inter-Agency Procurement Working Group, which could contribute to the missions' cost-saving programmes on procurement.**

254. The Department commented that UNOMIG would pursue the establishment of such consultative and collaborative arrangement at the country level and especially with the Inter-agency Procurement Service Office and the Inter-Agency Procurement Working Group.

255. While the organization of a referendum had not been possible to date, MINURSO continued to monitor the ceasefire and carry out tasks in support of the process under a mandate periodically renewed by the Security Council. In addition, since 2004, and based on the memorandum of understanding between MINURSO and UNHCR, signed on 27 July and 18 June 2004, MINURSO has been providing

administrative, logistic support and civilian police contingent to the confidence-building measures programme led by UNHCR.

256. Although both MINURSO and UNHCR were committed to initiating an effective inter-agency coordination with appropriate monitoring and evaluation tools, it appeared that the programme was implemented despite the lack of preparatory joint planning and synchronization of work programme cycles and priorities. There was therefore a risk of duplication of efforts, which could result in programmes and services related to confidence-building measures not being delivered in a cost-effective manner.

257. **The Administration agreed with the Board's recommendation that it work for the early approval of the memorandum of understanding by and between MINURSO and UNHCR.**

258. The Department indicated that discussions on finalizing the memorandum of understanding between the Department and UNHCR were ongoing and would be concluded by April 2007.

20. Recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations

259. The Board followed up on its previous recommendation[29] that the Administration expedite the implementation of the remaining recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations.

260. Work has been done on the development of integrated operations teams and the Department was awaiting decisions by the Secretary-General on broader structural issues before proceeding further.

21. Support account for peacekeeping operations

261. In paragraph 10 of document A/60/807, the Advisory Committee on Administrative and Budgetary Questions reiterated its suggestion that the Board undertake an analysis of how fluctuations in the level of peacekeeping activities affected the level of required Headquarters backstopping; which factors determined the level of required backstopping; and the delineation of functions as to what must be performed at Headquarters and what could be carried out in the field (A/59/736, para. 10). In the previous year the Advisory Committee had also requested the Board to look into the relationship between troop strength and the required civilian support component of a mission (A/59/736, para. 21).

262. In furtherance with the Advisory Committee's requests, the Board met with the officials of the Department for the latter to draw the analysis with inputs from the Office of Internal Oversight Services for review by the Board. At the time of the Board's audit however, such analysis was still to be finalized. Notwithstanding the non-completion of the Administration's analysis on the support account, the Board made a number of observations as outlined in the following paragraphs.

263. The support account was initially conceived to provide funding for overload posts necessary for the overall direction, assistance and guidance by department,

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[29] Ibid., para. 297.

offices and other units at the Headquarters to ensure the effective planning, implementation and liquidation of peacekeeping operations. Over the years, resources required for financing of the support account have continuously increased. From its level of $30.53 million in 1996/97, resource requirements have increased by 381 per cent to $146.94 million in 2005/06.

264. The support account's total appropriation for 2005/06 of $146.94 million is a 21 per cent increase over that of the previous period, with an increase in appropriation for both post and non-post of 12 and 61 per cent, respectively. Post resources account for 77 per cent of the total appropriation and the remaining 23 per cent pertains to non-post resources. The increase in post resources is attributable to additional posts authorized for the current period to provide for backstopping to peacekeeping operations while that of non-post resources were for, inter alia, consultants, general temporary assistance and facilities and infrastructure.

265. In 2005/06, the number of authorized posts had increased to 831, or 141 per cent from 345 in 1996/97, to provide backstopping for 15 missions. Of the 831, 70 were new posts authorized for the current period and 761 were continuing posts.

266. The current period's total expenditure of $136 million represents an increase of 15 per cent compared with the previous period and accounts for 3 per cent of the total peacekeeping expenditure.

267. The Board noted that there was no defined formula or model to show the relationship of the level and complexity of peacekeeping operations and the level of the support account. To address this, a team of consultants was tasked to undertake a study on the said relationship and to re-examine the support account not only in terms of the incremental growth in budget and personnel, but also in terms of the totality of available resources.

268. The consultants developed a budget model based on the results-based budgeting framework being adopted by the United Nations. The model comprises four key components — variable staffing, special/additional staffing, proportionate staffing and non-post resources. The model is yet to be finalized after final review and acceptance by the concerned offices.

269. The Board noted in its previous report[30] that there were significant deviations between peacekeeping missions in respect of the ratio of civilian support staff to military strength. For example, although ONUB, UNMIL and UNOCI had all been established recently, one civilian staff member at UNMIL supported 11 military and police personnel, whereas at UNOCI and ONUB one civilian supported 10 and 8 military and police personnel, respectively. For UNOCI, as at 30 June 2006 one civilian staff member supported 9.3 military and police personnel (1 for 9.2 authorized). Therefore with the reinforcement (troop strengths moving from 6,890 in 2004/2005 to 8,115 at the end of 2005/2006) the civilian support has increased also.

270. The missions explained that there was no established methodology to determine total civilian support to the military, rather each section head determined the staffing needs required to meet the operational requirements within the mission. Their submissions were then reviewed by the budget office and subsequently approved by the mission's steering committee prior to submission to the Department for review.

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[30] Ibid., para. 306.

271. According to the missions, support costs were clearly identified as in the detailed costing of the mission in budget category II, Civilian personnel and category III, Operational costs.

272. Not all civilian personnel or all operational costs should be considered as support costs in the Board's view. Personnel in substantive sections are directly linked to the mandate set by the Security Council in its resolutions. Likewise, some operational expenditures such as fuel can be linked to substantive rather than support costs.

273. The absence of a clearer definition impairs the mission to isolate support from substantive costs and therefore to monitor and control the evolution of such costs.

274. As indicated in table II.19, the level of expenditures pertaining to the support account for peacekeeping operations increased by 385 per cent from 1997 to 2006, in comparison with an increase of 294 per cent in the total peacekeeping expenditure over the same period for total peacekeeping costs. The total support account costs as a percentage of total peacekeeping expenditure for the same period has averaged 3 per cent.

Table II.19
Movements of the support account for peacekeeping operations
(Millions of United States dollars)

	Year ended 30 June									
	1997	*1998*	*1999*	*2000*	*2001*	*2002*	*2003*	*2004*	*2005*	
Total support account expenditure	**28.07**	**28.95**	**32.82**	**38.36**	**62.03**	**84.34**	**97.15**	**111.20**	**118.03**	**13**
Percentage increase in comparison with prior year		3	13	17	62	36	15	15	6	
Percentage increase from 1997 to 2006					385					
Total peacekeeping expenditure	**1 161.93**	**874.70**	**840.40**	**1 765.11**	**2 383.24**	**2 571.64**	**2 499.81**	**2 933.81**	**4 074.31**	**4 58**
Percentage increase (decrease) in comparison with prior year		(25)	(4)	110	35	8	(3)	17	39	
Percentage increase from 1997 to 2006					294					
Support account as a percentage of peacekeeping expenditure	2	3	4	2	3	3	4	4	3	
Average					3					

275. The level of the support account has increased significantly from its inception to the current appropriation level of $146.94 million in 2005/06. The support account represented 2.9 per cent (slightly below the average of 3.09 per cent) of total peacekeeping costs in 2005 and was to remain steady with the 2006 appropriations.

276. The current period's appropriation for the support account of $146.94 million represents an increase of 20.8 per cent over that of 2004/05 with an increase in expenditure by only 15.2 per cent. The Department indicated that the increase in resource requirements was to finance 70 new posts and related operational requirements, general temporary assistance positions and related non-posts resources to support the requirements arising from the report on sexual exploitation and abuse. The financing of the gross requirements of $146.94 million consisted of the unspent balance of the 2004/05 support account of $0.88 million, other income of $1.9 million as at 30 June 2005 and the amount of $13.8 million representing the balance in excess of the authorized level ($150 million) from the Peacekeeping Reserve Fund, which was applied to the 2005/06 support account upon approval of the General Assembly in its resolution 59/301. The balance of $130.4 million was prorated from the budgets of active missions.

277. During the period, with the total redeployment of $654,000 from civilian personnel to operational requirements as at 30 June 2006, their balance showed an increase of 118.4 per cent and 357.6 per cent, respectively as shown in table II.20. Had there been no redeployment, the balance of civilian personnel would have increased by 147.06 per cent and operational requirements by 307.4 per cent. The appropriation for operational requirements even without the redeployment was more than enough to meet expenditure and still leave a balance of 15.8 per cent. The Peacekeeping Financing Division clarified that redeployment was done by department/office as the year evolves based on need.

Table II.20

Support account for peacekeeping operations

(Thousands of United States dollars)

	2004/05					*2005/06*					*Increase (decrease) in balance based on original appropriation (percentage)*	*Increase (decrease) in balance based on revised appropriation (percentage)*
	Original		*Revised*			*Original*		*Revised*				
	Appropriation	*Redeployment*	*Appropriation*	*Expenditure*	*Balance*	*Appropriation*	*Redeployment*	*Appropriation*	*Expenditure*	*Balance*		
Civilian personnel	100 811	(266)	100 545	98 263	2 282	113 384	(654)	112 730	107 746	4 984	147.06	118.40
Operational requirements	20 800	266	21 066	19 763	1 303	33 551	654	34 205	28 242	5 963	307.40	357.64
Total	**121 611**	**—**	**121 611**	**118 026**	**3 585**	**146 935**	**—**	**146 935**	**135 988**	**10 947**	**205.36**	**205.36**

278. The support account had an unencumbered balance of $10.9 million as at 30 June 2006 or a 205 per cent increase over that of the previous year that might have pertained to higher than budgeted vacancy rates, in particular in respect of the resident auditors of the Office of Internal Oversight Services, unfinished information technology projects, and travels related to vacant posts. With the support account financed largely through the prorated share of active missions' budget and the Peacekeeping Reserve Fund, the unencumbered balance comprised those sources.

279. The Accounts Division informed the Board that the unencumbered balance of the support account had never been credited to Member States in the same way that unencumbered balances of active missions' budgets were credited to Member States.

The unencumbered balance was considered in the appropriation of the support account for the following year so that it was deducted from the total appropriation and only the net amount would be financed through the prorated amount allocated as a share of active missions' budgets.

280. The Board is concerned that the Administration has taken a risk in financing the support account from the Peacekeeping Reserve Fund and has unnecessarily increased its assessment for the financial period when the planning and budgeting process have not closely projected the level of expenditure for the period in consideration of the vacancy rate and other factors which then require the appropriation of funds at a level that may not be necessary.

281. **The Board recommends that the Administration reassess the apportionment of amounts allocated to the support account to optimize the use of such funds.**

282. The Administration informed the Board that the Office of Programme Planning, Budget and Accounts had implemented stringent review procedures in its planning and budgeting processes and would continue to improve its review procedures in preparation of the 2007/08 support account budget.

Creation of posts

283. In paragraph 16 of his report dated 18 September 1990 (A/45/493) the Secretary-General set out the criteria that govern the creation of posts to meet the additional workload resulting from peacekeeping activities. In paragraph 17 of the same document he placed emphasis on criteria (e) and (f) of those listed below:

(a) Workload indication;

(b) Functional relationship of the proposed post to the workplan of the offices or department;

(c) Possibilities for redeployment of existing staff resources to meet the functional need that has been identified;

(d) The appropriateness of funding the post from the support account for peacekeeping operations rather than from regular budget resources and of the type of contract to be offered to the incumbent in order to preserve a flexible management of staff resources;

(e) Proposed grading of posts vis-à-vis prevailing standards for post classification (all posts are to be formally submitted to the Office of Human Resources Management for classification before authorization);

(f) The effect that the creation of the post would have on the grading and organizational structures of the unit in which it is to be placed, bearing in mind the temporary nature of the post to be created;

(g) The duration of the post functions and the availability of the current and future funding sources.

284. In the Office of Programme Planning, Budget and Accounts, the Peacekeeping Financing Division reviews the proposal for the creation of new posts under the support accounts. The Board noted that criteria (d) to (g) were not provided in the proposals for evaluation and review by the Division as only the indicator of

achievement, output and justification of proposed variance were given emphasis in the resource proposal format.

285. **The Board recommends that the Administration use the full set of criteria for posts necessary for providing backstopping to peacekeeping operations.**

286. In a memorandum dated 26 September 2006, the Peacekeeping Financing Division had instructed programme managers that in the preparation of the proposed budget for the financial period from 1 July 2007 to 30 June 2008, emphasis should be made on the criteria established for the creation of posts. The Division, however, emphasized that given that new posts were based on the generic job profiles, no emphasis has been put on criteria (e). The Division assured that criteria (e) and (f) would be highlighted in its forthcoming memorandum on the budget instructions for the support account for the financial period from 1 July 2008 to 30 June 2009. It also agreed to revisit the provisions of document A/45/493, in particular with regard to criteria (f) as the introduction of the generic job profiles has superseded the need to submit the posts to the Office of Human Resources Management for classification and taking into consideration the discretion given to the Secretary-General to authorize temporary posts up to the level of funding.

Evaluation of use of posts

287. Existing support account posts were approved by the General Assembly based on functions submitted by the departments/offices in their proposals. The Administration had developed generic job profiles which were used in post classification and recruitment.

288. The detailed activities mentioned at the generic job profiles for the backstopping of peacekeeping operations were reflected in the workplan. The Board, however, noted that the activities detailed in the workplans were stated in general terms and not in a manner that would facilitate the identification of their relation to peacekeeping operations. Of the five workplans reviewed, three showed activities that could not be identified as related to peacekeeping while two showed minimal activities that were specifically for peacekeeping. Furthermore, while the e-PAS performance record showed the workplan and evaluation of the incumbent's performance, it did not show the actual work performed in two instances.

289. Owing to the foregoing observations, the Board was concerned that given the available documentation and the manner in which they were prepared, the issue on whether posts under the support account had been used and continued to be used for the intended purpose of backstopping peacekeeping operations could not be established.

290. **The Board recommends that the Administration ensure that job descriptions and workplans provide adequate, clear/specific, consistent and updated information to facilitate review and verification of the use of posts as intended.**

291. The Administration commented that it did not have any objections to ensuring that workplans in e-PAS made reference to supporting peacekeeping operations. That would be done in the current e-PAS cycle from 1 April 2006 to 31 March 2007. The Administration further indicated that it wishes to maintain the current approach that such support was within the overall functional responsibilities of the unit/section concerned and that programme managers had the flexibility in utilizing

the totality of resources to achieve the results set out in the results-based budgeting frameworks and the strategic framework.

22. Rations

292. The Board reviewed the management of rations at certain missions and the progress made in the implementation of previous recommendations.[31]

Management of rations

293. The Board noted the efforts made by the Department in the management of rations at various missions. However, there were issues that needed to be addressed, as follows.

(a) UNMIL had no backup plans or alternative standby arrangements for the supply of essentials such as food;

(b) Contractors had delivered items that were not in accordance with the contract, inter alia, shortfalls/underdelivery of items, poor quality (UNMIL) and wrong packaging (UNFICYP);

(c) There were no penalty or cost clauses included in the rations contract between UNMIL and the contractor if the contractor defaulted;

(d) UNMIL had not prepared or submitted to the Food Cell Unit accurate and timely troop strength reports to ensure effective control of the ceiling man-day rate or the maximum cost of food entitlement per day for each contingent member;

(e) The UNMIL Food Cell Unit had been operating with the post of the chief of the unit still vacant;

(f) Rations were being delivered at MINURSO without an approved contract.

294. **The Department agreed with the Board's recommendation to enforce rations-contract related procedures.**

295. The Department indicated that it was committed to reminding the missions of the importance of enforcing the procedures contained in the Rations Management Manual and also the relevant clauses in the respective rations contracts. It indicated that owing to long lead times involved and the large investment by rations vendors to service the contracts, it was not feasible to have a standby arrangement for rations. It was the Department's plan to establish and prudently manage two basic food reserves — a 14-day frozen and dry food reserves, and a 14-day combat ration pack reserves. In addition, the contingency plan allows the Department to obtain rations from other rations providers in the region of a mission. In that regard the Department had included language in the new statement of works and draft contracts that allowed any rations contractor to provide rations to the United Nations for use in a mission other than the one it was contracted to service. It also indicated that it would be rejecting items that were not in accordance with the required specifications.

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[31] Ibid., paras. 324-327.

Performance evaluation of vendors

296. The management of rations programmes at missions includes the continuous evaluation of procurement contracts by the implementing missions to ensure success and the proper implementation of the provisions of the contracts through quarterly reporting of a vendor's performance by the Contractor Administrator using the contractor performance report every quarter and the Procurement Service's evaluation report every December and June as required in the Rations Management Manual.

297. Quarterly performance evaluation reports, using vendor performance information jointly discussed with the Procurement Service, are prepared by the Department for monitoring of the proper implementation of the rations contract. The vendor performance information is always the basis for technical assessment that is jointly conducted by the Procurement Service and the Department and for decision-making regarding contract amendments, extensions, etc. The evaluation reports, however, have not been submitted to the Procurement Service by the Department, or by the requisitioning missions. Hence, the Procurement Service has made decisions to extend some contracts without the benefit of the assessment of the vendor's performance. Four ration contracts, including their amendments, totalling $197.7 million were noted as not supported with the required contractor's performance evaluation reports.

298. **The Board recommends that, pending the implementation of the electronic system of rations management, the Department enforce the submission of semi-annual evaluation reports on the vendors to the Procurement Service.**

299. The Department and the Procurement Service indicated that they had initiated discussions to streamline performance evaluation databases wherein the Department had introduced an electronic rations management system, targeted to be fully operational during the second quarter of 2007. Vendor related issues such as vendor registration and vendor performance reports were addressed at the conference of chief procurement officers held in New York from 15 to 18 January 2007.

23. Human resources management

300. The Board audited the management of human resources, inter alia, human resources planning, staff training, succession planning, gender distribution, the vacancy rate and personnel appointments and benefits, and made a follow-up of its previous recommendations.[32]

Human resources planning

301. Human resources planning is one of the key areas in human resources management that generally includes, among others, predicted staffing needs, skills and competencies requirements, geographical representation, gender balance, training and succession planning. Such planning is needed to improve the quality and performance of the staff to enhance the effectiveness with which its human resources are managed and to strengthen the international civil service. The Board noted that UNMIK and MINUSTAH had no human resources plan to attract and retain the best qualified and experienced candidates.

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[32] Ibid., paras. 329-361.

302. UNOCI had developed a workplan that partially dealt with the human resources objectives in global terms such as reducing the rate of job vacancies, improving the male/female balance and the geographical distribution of personnel. UNOCI had not defined any clear and precise objective in areas such as replacing international personnel with local personnel, mobility, training and recruiting process performance. The only measurable objective was to reduce the job vacancy rate from 22 to 10 per cent.

303. **The Department agreed with the Board's recommendation that it implement a comprehensive human resources plan in order to attract and retain the best qualified and most experienced staff members.**

304. The Department indicated that as the effort to introduce and monitor the human resources action plans was highly labour-intensive, resource constraints had impacted on the ability to meet the original timelines of the pilot project and the implementation dates originally envisaged. A pilot project would be rolled out in July 2007. Full implementation is planned for July 2008, so that the experience of the pilot project can be put to benefit before full implementation.

Training

305. The Board noted that UNMOGIP had not prepared an annual training plan, contrary to the requirement of section 3 of the Secretary-General's bulletin ST/SGB/1997/4. UNMOGIP nevertheless had used the additional funds of $26,300 it received from the Department for the upgrading of substantive skills and information technology for training courses without the training needs assessment.

306. The Board also noted that UNMEE needed to redesign its training needs assessment and commit training funds based on reasonable expenditure estimates. Although it had a training plan with an approved budget of $379,000, only 29 of the 59 training courses had been undertaken and 3 training courses not included in the plan were also conducted.

307. A similar observation was made in respect of MINUSTAH where one of the training courses, entitled "Induction course — code of conduct on sexual exploitation", had an 18 to 39 per cent "no show" attendance and another, entitled "UNITAR long-distance training programme", was cancelled three times owing to a lack of funding. It was also noted that the approved funding of MINUSTAH for the training programmes ($799,214) for 2005/06 was spent more on official travel (65 per cent) rather than on actual training (21 per cent), and 14 per cent was spent on consultants.

308. MINUSTAH indicated that its mission training was to resume in September 2006 because of delays in the country elections that had eventually delayed the training programmes. MINUSTAH also explained that over $220,000 of the 2005/06 training budget had been reallocated to internal travel budget which prevented the completion of the training programme.

309. **The Department agreed with the Board's recommendation that it implement measures to monitor missions in improving training needs assessment and to evaluate the cost-effectiveness of the current mode of training.**

Succession planning

310. Succession planning is a systematic process of identifying and developing talents to ensure leadership continuity for all key positions in the office that have not been filled successfully in terms of competency levels, gender equality or geographical considerations. The Secretary-General, in his report on the employment of retired former staff in the biennium 2004-2005 (A/61/257/Add.2) reflected that 491 retirees continued to be employed. Without a succession planning or specific formalized processes in place to address the replacement of staff close to retirement or the filling of key positions in a timely manner, UNMIL retained the expertise of a retiring member and extended the contract twice pending identification of a suitable replacement. Likewise, MINUSTAH also had no succession planning programme or plan in place to ensure the level of proficiency required, although the mission noted that Headquarters had the primary responsibility for succession planning and overall monitoring of staffing resources.

311. **The Board recommends the Department ensure that missions prepare and implement the succession plans for the filling of key positions in a timely fashion.**

312. The Department indicated that in the context of documents A/61/255/Add.1 and Corr.1, it considered a solid and functional succession planning programme an essential aspect to retaining highly qualified staff members. The Department was developing a career development strategy and framework that would be adjusted, as necessary, and implemented upon approval by the General Assembly of the proposals for the establishment of the cadre of the 2,500 peacekeepers. As part of the career development framework, which includes pathing models, the Department was also working at addressing the challenges encountered in recruiting and retaining staff with certain profiles and expertise. In its resolution 61/244 of 21 December 2006, the General Assembly requested the Secretary-General to submit a report on this matter.

Gender

313. UNMIL had been challenged in its gender equality objectives by constraints on candidate availability as well as a lack of authority over the initial screening, review and technical clearance process, while UNMIK had not established milestones against which to measure the achievement of the gender balance targets. The UNMIL male-to-female ratio in gender equality was the same as that of the prior year at 70:30. The overall gender distribution goal of UNMIK decreased by 5 per cent, from a 67:33 ratio of male to female in 2004/05 to 71:29 in 2005/06.

314. The recruitment and time frames in MINUSTAH for achieving the 50:50 gender distribution targets were not met despite the Mission's effort to ensure diversity of staff selection. As at 14 August 2006, of the Mission's current international staff component of 452 employees, the ratio of male to female was 308 (68 per cent) male and 144 (32 per cent) female; while for the local staff component of 1,112 employees (excluding United Nations Volunteers and military contingents), the ratio was 922 male and 190 female, or 83 and 17 per cent of the total staff, respectively.

315. Women are still underrepresented at UNOCI. Although the gender distribution had improved since 2004/05 for international personnel, with a 33 per cent rate for

women, it remained below the rate recorded at 30 June 2004 (36 per cent) and far from the objective of 50:50.

316. The gender distribution between national personnel has shown a decreasing trend since 30 June 2004, when the female rate was 27 per cent, since the proportion of women has decreased to just 24 per cent in June 2006.

317. **The Department agreed with the Board's recommendation to improve the gender distribution of staff in the missions.**

318. The Department commented that gender targets would be further enforced through the implementation of the human resources action plan. The introduction of the plan for field missions would hold managers accountable for achieving results through their efforts to increase the number of female staff in United Nations peace operations, in particular at the senior levels. The Department also commented that the underlying issues hampering the Department's ability to attract and retain female staff in field missions were, inter alia, unattractive conditions of service offered to staff serving in United Nations peacekeeping operations, and the fact that 93 per cent of field staff were in non-family missions. Efforts were being made, in the context of the Secretary-General's reform proposals set out in his report on investing in people (A/61/255), to address the underlying causes contributing to the lower representation of female staff.

Vacancy rate

319. In peacekeeping operations, one of the expected accomplishments as reflected in the budget for 2005/06 (A/59/730) is increased efficiency and effectiveness by strengthening field operations through actions and initiatives that put missions' needs first, through an average international civilian personnel vacancy rate for field missions at 10 per cent in 2005/06 compared with 27 per cent in 2003/04, while meeting gender and geographical goals.

320. The Board noted that the overall average vacancy rate for international civilian staff for all missions was 26 per cent at the end of the financial period compared with 29 per cent in the previous period.

321. The Department indicated that the vacancy rate was mainly attributable to the high turnover of field staff due to the Department's inability to offer competitive conditions of service. The Department also indicated that concrete measures to manage and reduce the vacancy rates were under study.

322. The Board noted that for a start-up mission such as UNMIS, the vacancy rate had declined from 21 per cent in January 2006 to 8 per cent in June 2006 for military personnel, and from 52 to 10 per cent for the civilian police. For other personnel categories, while the rate had also declined, from 48 per cent to 36 per cent for international staff and 80 per cent to 71 per cent for National Professional Officers, the rate remained higher than the 10 per cent acceptable rate. In its effort to reduce the vacancy rate, the Mission, in coordination with the Personnel Management and Support Service, actively recruited staff to fill vacant posts. As at 23 October 2006, the vacancy rate was reduced to 3.6 per cent for military personnel, 7.1 per cent for civilian police, 7.5 per cent for international staff and 63.2 per cent for National Professional Officers.

323. At UNMIL, the vacancy rates as at 30 June 2006 also declined compared with 30 June 2005, as follows: (a) for senior management the vacant posts were 6 in 2006 compared with 11 in 2005, which represents 12 and 22 per cent of the 51 authorized posts, respectively; and (b) for middle management, the vacancy rate declined from 73 posts in 2005 to 51 posts in 2006, or 29 and 20 per cent of 265 authorized posts, respectively.

324. Likewise, as at 30 June 2006, the vacancy rate at MINUSTAH: (a) stood at 9.4 per cent (120 local and international vacant posts), slightly lower than the acceptable rate; (b) went beyond the acceptable rate at 14 per cent for P-5 and 16 per cent for P-4 and P-3 and for the local National Professional Officers category. In respect of the latter category, at the time of the audit, there were 44 filled posts out of 74 positions.

325. **The Board recommends that the Department continue its efforts to fill vacant posts in a timely manner through an improved outreach to qualified candidates and networking with Member States, peacekeeping partners and other organizations.**

326. The Department commented that despite the recruitment of 2,000 candidates annually over the past two years, peacekeeping operations faced an average of 25 per cent vacancy rates exacerbated by a 30 per cent turnover rate in the Professional category. To streamline the process and expedite the recruitment of international staff, the Personnel Management and Support Service had delegated technical clearance of selected occupational groups to field missions and had granted the missions access to rosters from which they could select candidates. The Department had also redesigned the Galaxy website to enable the continuous posting of all vacancies to facilitate an applicant's ability to identify, at all times, the post levels and locations of existing vacancies. The deployment of Tiger Teams (temporary reinforcement of mission civilian personnel section by Personnel Management and Support Service staff members) to some field missions.

Personnel appointment and benefits

327. With regard to personnel appointments and benefits, the Board noted the following:

(a) There were delays in the signing of appointment letters as evidenced by 16 samples under the 300 series national MINUSTAH staff who had already commenced work;

(b) Sixteen pay slips of MINUSTAH staff covering June 2006 were selected for review and the Board noted that staff pension, health insurance and family allowances had not been paid in accordance with the Department's Human Resources Handbook, as follows: (i) 3 had no deductions for pension contributions, of which mandatory participation was required; (ii) 2 had no deductions for insurance premiums; and (iii) 6 had not been paid their family allowance entitlement;

(c) Incorrect computations had been made, resulting in underpayments of $12,517 on medical insurance premium for 14 subscribers;

(d) At MINUSTAH there was evidence of overtime on a regular basis rather than an exceptional basis;

(e) MINUSTAH had not complied with the requirement to regulate excessive use of overtime on the approval of the monthly sectional budget before commencement of work and there was no evidence that UNMIL and MINUSTAH had complied with the requirement of advance approval for overtime;

(f) At MINUSTAH three cases of overtime work exceeded the maximum of 40 hours, with an average of 45 hours, while two cases at UNMIL exceeded the maximum by an average of 30 hours;

(g) Two cases of overtime worked without pre-approval were also detected at UNMIL.

328. **The Department agreed with the Board's recommendation to comply with the requirements of the Human Resources Handbook relating to letters of appointment, staff pension, health insurance and family allowance, medical insurance premium and overtime.**

329. The Department stated that the IMIS system did not respond to the needs of the United Nations peacekeeping operations in monitoring mission compliance with leave policies and procedures and ensuring that accurate leave records were maintained. Nevertheless, it was working with mission management to leverage existing and disparate information technology systems to track time and attendance until the enterprise resource planning system had been implemented in the field.

Conversion from 300 to 100 series appointments

330. The Board followed up on its previous recommendation[33] that the Department assess the impact of using 300-series contracts as the primary instrument for the appointment of new staff in missions. The impact of using 300-series contracts as the primary instrument for the appointment of new mission staff on missions is being addressed in the context of the Secretary-General's human resources reform proposals contained in his reports entitled "Investing in the United Nations: for a stronger Organization worldwide" (A/60/692 and Corr.1) and "Investing in people" (A/61/255 and Add.1 and Add.1/Corr.1). With a view to building a human resources workforce that is able to effectively meet the evolving needs of one global Secretariat, the reform proposals include the introduction of one contractual arrangement for all staff of the Organization, thus eliminating the significant differences in the conditions of service for staff appointed under the different series of staff rules.

331. Additionally, in order to ensure equitable treatment of staff across the United Nations common system, the Secretary-General also proposes the harmonization of the conditions of service between Secretariat staff and staff of the United Nations funds and programmes serving the field.

332. **The Board reiterates its recommendation that the Department expedite the assessment of the impact of using 300-series contracts.**

333. The Department commented that an ICSC working group had been established to review the compensation package for internationally recruited staff serving at non-family duty stations. ICSC was expected to submit its recommendations on

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[33] Ibid., para. 367.

conditions of service for staff serving in non-family duty stations for the consideration of the General Assembly at the second part of its sixty-first session.

Downsizing missions — human resources

334. The UNOMIG mandate was extended up to 15 April 2007 by the Security Council in its resolution 1716 (2006). This resolution followed resolution 1666 (2006), in which the Council extended the mandate to 15 October 2006.

335. The Board noted that although UNOMIG was aware of the impending termination of its operations, it had not complied with the guidelines set forth in the Human Resources Handbook to make advance planning for downsizing the Mission's organizations or changes in funding that affected the Mission's staffing situation, to identify the functions and posts to be abolished or to develop a detailed draw-down plan and strategy for managing staff reductions.

336. The financial performance report for UNMIK dated 20 April 2006 (A/60/809) indicated that the Mission was downsizing its operations in terms of decreasing its staff complement and disposing of and transferring assets to other missions, although no downsizing plan had been developed.

337. **The Board recommends that the Department prepare in advance a downsizing plan for phase down missions.**

338. The Department indicated that the approved budgets for UNMIK reflected the Mission's downsizing plans and its operation requirements, including staffing levels. The downsizing of the staffing components as outlined in the approved budget for 2006/07 had already been implemented. For UNOMIG, the Department had requested the Mission to prepare a plan which should include a list of all the positions to be abolished, and a comparative review of staff performing similar functions, to determine who might be released at the various stages of the downsizing process to reflect operational needs.

24. Resident auditors

339. In its previous report,[34] the Board expressed its view that the number of auditors per $100 million budgeted expenditure was only one indicator to be used in the allocation of resources. The Board explained that there was a need for the indicator to be refined after consideration of such factors as risk and complexity of operations.

340. In a follow-up to the previous recommendation of the Board,[35] the Administration informed the Board that the Office of Internal Oversight Services would be guided by the results of the comprehensive review of its operations, functions and independence. The Office of Internal Oversight Services indicated that the external Office's review, however, did not provide a metric for determining the adequacy of the resources although proposals were now under consideration to use a risk-based approach to planning the work and determining the level of resources for the Office. It also indicated that such proposals would be submitted to the General Assembly for approval during the first resumed part of its sixty-first session.

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[34] Ibid., para. 384.

[35] Ibid., para. 385.

341. In addition, the Board has previously observed that the average vacancy rate for 2004/05 at the missions was 16 per cent.[36] The Board recommended that the Office of Internal Oversight Services expedite the filling of all posts to ensure that the units could execute the planned audit actions.

342. The Administration informed the Board that the Office of Internal Oversight Services had conducted interviews and more were planned for the purpose of building a roster of qualified candidates.

25. Fraud and presumptive fraud

343. As required under the Financial Regulations and Rules of the United Nations, the Administration reported to the Board seven cases of fraud and presumptive fraud known to it for the financial period ended 30 June 2006. The Administration also indicated a further three cases of fraud at UNDOF, although the corresponding reports were still pending. The reported cases might not reflect the entire universe of fraud and presumptive fraud cases system-wide, as some cases might be under review by other offices, units or oversight bodies and not yet reported to the Board.

344. As noted below, the Organization suffered a loss of $5,567.83 while at the same time it was at risk of not being able to account, in whole or in part, for the amount advanced for quick impact projects totalling $32,518.87:

(a) At UNDOF, the Austrian Battalion post exchange sales personnel overpriced some products sold to the post exchange customers and embezzled the extra amount. The damage was determined to be at $5,070.95 as most bills issued to individual consumers were not completely recovered. Although no United Nations funds were involved, the suspected sales personnel were prosecuted and those found guilty were repatriated from UNDOF;

(b) At UNMEE, the sum advanced of 156,000 nakfa ($11,512.92) remained outstanding in the absence of proper financial documentation being supplied by the executing agencies for the work done on quick-impact project No. 313. The representative of the local administration was advised of the shortcomings in the implementation of the project and failure to adhere to administrative procedures. The representative was also requested to return to UNMEE any unutilized funds;

(c) Also at UNMEE, the sum advanced of 54,400 nakfa ($4,015) remained outstanding in the absence of proper financial documentation to substantiate the costs of the desks delivered for quick-impact project No. 270. Physical inspection disclosed deliveries of 45 instead of 100 desks. The representative of the Ministry of Local Government was requested to return to UNMEE any unutilized funds or provide documentary evidence for the purchase of the remaining 55 desks;

(d) There was an attempt to illegally wire transfer funds from an UNMEE account to an account of an unspecified recipient involving $3,900. This attempted fraud was stopped by Chase Bank before the funds were transferred;

(e) At MONUC, two cheques involving $5,567.83 that had earlier been voided were presented for encashment. Investigation was ongoing;

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[36] Ibid., table II.28.

(f) The theft of $1,159 from the MONUC regional finance office in Kisangani was reported, involving a finance clerk who returned the money in two instalments. The finance clerk was removed from the finance office in May 2006;

(g) Fraud was reported involving a quick-impact project amounting to $11,920 and implemented by MONUC National Staff Committee. The cash advance was released on 18 July 2005, although a visit to the construction site in December 2005 revealed that construction has just begun. Investigation is ongoing.

345. In its previous report,[37] the Board raised its concern at the increase in the number of cases of fraud and presumptive fraud and had recommended that the Administration, in close consultation with missions, carefully analyse the elements leading to the reported fraud and take the proper necessary punitive measures, draw lessons and share those lessons systematically with other missions.

346. The Administration informed the Board that implementation of its recommendation was in progress. The Administration, in coordination with the relevant missions, had implemented measures to address the cases, such as (a) taking disciplinary and other actions as appropriate on cases where responsibilities for misconduct had been established; (b) conducting an analysis of the elements leading to the fraud matters outlined by the Board and those of the Office of Internal Oversight Services; and (c) circulating to the concerned missions the results of the analysis conducted. The Administration assured the Board that the lessons learned from the final report on the analysis would be shared directly with all missions and also through the "communities of practice network".

26. Results-based budgeting

347. In the follow-up of its previous recommendations[38] on the implementation of the results-based budgeting system, where MINUSTAH was reported to be without a full-fledged tool, the Board noted that a system was already in place, although there were still indicators that did not adhere to the principles of results-based budgeting.

348. Like MINUSTAH, UNMIK also had certain indicators that were not measurable, specific, time-based or had expected accomplishments that justified the resource requirements that were derived from and linked to outputs required to achieve such accomplishments. There was no reliable data that could be gathered to support the 10 per cent reduction in reported acts of violence against women and girls (MINUSTAH) as well as for the outputs of the substantive civilian and rule of law (UNMIL).

349. At MINUSTAH, no timelines had been set for the expected accomplishments of the Transitional Government on the development and implementation of legislation for management of small arms and light weapons in Haiti.

350. At UNMIL, no baseline or targets had been identified as indicators of achievement for the provincial institutions of self-government structures, protocols signed and/or judicial inspections. In MINUSTAH, the expected accomplishment on the progress towards the promotion and protection of human rights, particularly of women, had been planned without funding.

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[37] Ibid., para. 398.

[38] Ibid., para. 411.

351. **The Department agreed with the Board's recommendation that it review its results-based budgeting framework so that indicators of achievement and output were measurable, specific and time-based.**

352. The Department indicated that it had made significant progress in developing clear and measurable indicators of achievement in the missions' results-based budget framework for the 2006/07 financial period.

Portfolio of evidence

353. Documentation of data gathered in the preparation of performance of an office is a necessity to show proof of evidence that would serve as a basis for the actual activities performed. The Board noted that at UNMIK, there was no formal systematic information gathering to record, on a regular basis, the actual performance based on the results-based budgeting format, therefore, the Mission did not have enough portfolio of evidence consisting of the actual source documents that support the actual indicators of achievement and outputs.

354. The performance reports compiled by missions were done according to the results-based budget framework which is defined as: (a) the programme budgetary process in which programme formulation revolves around a set of predefined objectives and expected results; (b) expected results that are derived from, and linked to, outputs required to achieve such results; and (c) actual performance in achieving results is measured by objective and by performance indicators. The results-based budgeting definition indicates that there should be a link between the budget and the actual performance of the mission for the respective budget period.

355. A comparison of samples of the expected accomplishments, indicators of achievement and outputs contained in the budget for UNMIL for the financial period from 1 July 2005 to 30 June 2006 revealed that there was no correlation between the samples to the 2005/06 financial year. The performance report supposedly contained the graduating class of police officers as at 30 June 2006. However, Classes 1 and 18 graduated on 12 July 2004 and 29 July 2006, respectively, leaving only the statistics from Class 14 (commenced on 18 July 2005) to Class 18 (commenced on 18 November 2005) that would be applicable to the covering period.

356. UNMIL indicated that the indicator and the reported achievement of the police officers who had graduated from the Police Academy was a cumulative number and that the Mission had already corrected the text in the report, to specify "As of June 2006, 1,994 officers have graduated from the Police Academy (449 in 05/06) ..."

357. **The Department agreed with the Board's recommendation that it: (a) implement in all missions a system to monitor the results-based budgeting information-gathering process; and (b) specify in the mission budget whether the outputs indicated for expected accomplishments related to the specific budget period or whether it related to the actual performance over the period since the output had been identified.**

358. The Department commented that the Department of Management and the Department of Peacekeeping Operations were in the process of developing an electronic budget application project. The new system would have a tool to assist the mission in monitoring the collection of a portfolio of evidence to support performance reports.

27. Information and communication technology

Resource distribution

359. The Board's previous recommendation[39] to align the missions with the United Nations norm of one printer to every four desktop computers was not being followed in UNMIL, UNMIK and UNOMIG.

360. **The Department agreed with the Board's recommendation that it re-evaluate the budgets for the purchase of printers taking into account the target printer to desktop ratio of 1:4.**

361. The Department reported that it had instructed peacekeeping missions to reduce the ratio of desktop printers to 1:4. The Department would ensure that the target was achieved before any request for additional or replacement of desktop printers was approved.

Satellite communications hub

362. The global United Nations communications or information technology network that included data back-up and a warehouse centre for the Department was managed at the UNLB hub centre in Brindisi, Italy, under the Communication and Information Technology Section. The hub is a satellite station that links management centres servicing the Department's operation of satellite communications globally.

363. The satellite operation continued to expand with an increasing number of personnel and equipment despite limited facilities to accommodate them. This increased activity has created problems in, among others: (a) the power and cooling system; (b) the high-value facility, which is exposed to rain leakages; (c) storage facilities for necessary spare parts and equipment that could not be sufficiently secured; (d) laboratory areas that became limited in power and space so that very few concurrent tests could be undertaken; and (e) a technician's work area that was too crowded. The consolidation of all engineering staff and communications critical equipment in a common structure is crucial as this would reduce logistical difficulties and simplify service monitoring processes, although there would be cost implications.

364. **The Department agreed with the Board's recommendation that it plan for an adequate structure that would serve as the central satellite hub for all peacekeeping operations.**

365. The Department concurred with the recommendation regarding a common structure that would serve as the central satellite hub as well as house all engineering staff and critical communication equipment. The Department had included in the proposed budget of UNLB for the 2007/08 financial period a project focused on the design and construction of a single and common facility. An infrastructure built for such a purpose would allow for consolidation of all UNLB critical satellite communications equipment, rooms and workshops into a common operating environment.

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[39] Ibid., para. 421.

28. Quick-impact projects

366. Quick-impact projects are intended to be small and easily implemented projects, with fast and visible impact in the local community where they are implemented. The quick-impact projects programme is generally associated with a strategic effort to enhance acceptance of the mission by the host community through the provision of concrete and targeted assistance.

367. At UNMIS, the Board noted that monthly reports of ongoing projects had not been submitted by the executing agencies to the Special Representative of the Secretary-General contrary to the memorandum of understanding between UNMIS and the executing agencies. The Department informed the Board that UNMIS was testing a database for quick-impact projects, which, once implemented, would allow the mission to monitor the implementation of quick-impact projects.

368. At ONUB, the balance of the funds intended for the four ongoing projects remained unreleased to project implementers pending the submission of progress reports. ONUB commented that the progress reports on two projects had been received and the releases of the remaining 20 per cent of the project funds had been approved. The mission would closely monitor the progress reports on the remaining two projects to ensure timely completion.

369. At UNMEE, 20 quick-impact projects (with total outstanding advances to implementers of $76,415 as at 12 September 2006) had been started in 2003/04. Although 5 of the projects had already been completed, the non-completion of the 15 projects within the requirement set by the terms of reference of only six to eight weeks duration, defeated the purpose for which quick-impact projects were intended. UNMEE explained that the projects had suffered disruption and interruption for more than a year owing to prolonged absence of the sole coordinator for the projects. UNMEE, however, indicated that it would give priority to the completion and closure of the outstanding projects.

370. At UNOCI, the budget allocated for quick-impact projects was $1 million for 2005/06. The Quick-Impact Projects Committee approved 85 projects for a total of $954,004. The Board noted that $782,440, representing 82 per cent of the quantity approved over the year, had been approved during the final four months of the budget year, which could have a negative impact on the monitoring and control of the quick-impact projects. Regarding execution, the Board also noted delays in the execution of projects. At 12 September 2006, only 13 of the 85 approved projects had been completed in a timely manner.

371. In MINUSTAH, the documentation for certain quick-impact projects was inadequate and there had been delays by implementing partners to execute some projects.

372. **The Board recommends that the Department establish a monitoring mechanism to ensure that quick-impact projects are implemented in accordance with the approved budget, terms and conditions, project milestones and performance expectations.**

373. The Department commented that the Office of Mission Support had revised the guidelines for the management and administration of quick-impact projects, which had been circulated to all missions in July 2006. The Office of Mission Support would remind the missions to ensure strict compliance with the established

procedures on quick-impact projects. The Department was developing a comprehensive policy on quick-impact projects, which the Secretary-General would present to the General Assembly at its sixty-first session. The policy, which dealt with resource allocations, selection process, the duration of each project and the roles of missions, other United Nations bodies and implementing partners in managing and implementing quick-impact projects had also taken into account the recommendations of the Board and the Office of Internal Oversight Services relating to quick-impact projects.

D. Acknowledgement

374. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended to its staff by the Secretary-General, the Under-Secretary-General for Management, the Under-Secretary-General for Peacekeeping Operations, the Under-Secretary-General for Internal Oversight Services and members of their staffs, as well as to the staff at the missions.

***(Signed)* Philippe Séguin**
First President of the Court of Accounts of France
(Chairman, United Nations Board of Auditors)

***(Signed)* Guillermo Carague**
Chairman, Philippine Commission on Audit
(Lead Auditor)

***(Signed)* Terence Nombembe**
Auditor-General of the Republic of South Africa

21 February 2007

***Note*: The members of the Board of Auditors have signed only the original English version of the present report.**

Annex I

List of missions audited

Active peacekeeping operations

1. United Nations Peacekeeping Force in Cyprus (UNFICYP)
2. United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)
3. United Nations Interim Force in Lebanon (UNIFIL)
4. United Nations Mission for the Referendum in Western Sahara (MINURSO)
5. United Nations Observer Mission in Georgia (UNOMIG)
6. United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)
7. United Nations Interim Administration Mission in Kosovo (UNMIK)
8. United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)
9. United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET)
10. United Nations Mission in Ethiopia and Eritrea (UNMEE)
11. United Nations Mission in Liberia (UNMIL)
12. United Nations Operation in Côte d'Ivoire (UNOCI), formerly United Nations Mission in Côte d'Ivoire (MINUCI)
13. United Nations Stabilization Mission in Haiti (MINUSTAH)
14. United Nations Operation in Burundi (ONUB)
15. United Nations Mission in the Sudan (UNMIS)

Special-purpose accounts

1. Peacekeeping Reserve Fund
2. Support account for peacekeeping operations
3. United Nations Logistics Base (UNLB) at Brindisi, Italy

Completed peacekeeping operations

1. United Nations Iraq-Kuwait Observation Mission (UNIKOM)
2. United Nations Mission in Bosnia and Herzegovina (UNMIBH)
3. United Nations Mission of Observers in Tajikistan (UNMOT)
4. United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH), United Nations Civilian Police Mission in Haiti (MIPONUH)
5. United Nations Mission in Haiti (UNMIH)

6. **United Nations Mission in the Central African Republic (MINURCA)**
7. **United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)**
8. **United Nations Preventive Deployment Force (UNPREDEP)**
9. **United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and United Nations Civilian Police Support Group (UNPSG)**
10. **United Nations Observer Mission in Liberia (UNOMIL)**
11. **United Nations Peace Forces (UNPF)**
12. **Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)**
13. **United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)**
14. **United Nations Observer Mission in El Salvador (ONUSAL)**
15. **United Nations Operation in Mozambique (ONUMOZ)**
16. **United Nations Operation in Somalia (UNOSOM)**
17. **United Nations Military Liaison Team in Cambodia (UNMLT)**
18. **United Nations Transitional Authority in Cambodia (UNTAC)**
19. **United Nations Transition Assistance Group (UNTAG)**
20. **United Nations Iran-Iraq Military Observer Group (UNIIMOG)**
21. **Special Account for the United Nations Emergency Force (UNEF) 1956**
22. **Ad Hoc Account for the United Nations Operation in the Congo (ONUC)**

Missions funded under the regular budget

1. **United Nations Truce Supervision Organization (UNTSO)**
2. **United Nations Military Observer Group in India and Pakistan (UNMOGIP)**

Annex II

Summary of status of implementation of recommendations for the financial period ended 30 June 2005[a]

Topic	*Year first reported*	*Implemented*	*Under implementation*	*Not implemented*	*Total*	*Reference in the present report*
1. Obligations lacking valid documentation	2004/05		para. 26		1	paras. 42-46
2. Cancellation of prior period obligations	2004/05		para. 35		1	paras. 34-41
3. Closed missions long outstanding unpaid assessments and liabilities	2004/05			para. 41	1	—
4. Long outstanding voluntary contributions receivable	2004/05			para. 44	1	—
5. Long outstanding accounts receivable	2003/04		para. 48		1	—
6. Bank and cash management	2003/04	para. 53			1	—
7. Equitable geographical distribution of procurement contracts	2004/05		para. 74		1	paras. 72-77
8. Inter-agency local procurement activities	2004/05		para. 78		1	paras. 78-80
9. Registration of prospective vendors	2003/04		para. 82		1	paras. 81-83
10. Performance reports	2001/02		para. 86		1	paras. 87-90
11. Vendor Review Committee/ Vendor Database Officer	2004/05	para. 92			1	—
12. Performance bonds	2003/04		para. 99		1	paras. 91-98
13. Procurement staffing	2003/04		paras. 101 and 105		2	paras. 99-102
14. Procurement plans	2003/04	paras. 109 and 111			2	paras. 103-109
15. Utilization of procurement plans	2002/03		para. 115		1	paras. 103-109
16. Procurement training	2003/04		para. 118		1	paras. 110-113
17. Ex post facto approvals	2004/05	para. 131	para. 134		2	paras. 118-124
18. Lead time for contract approvals	2004/05		para. 137		1	paras. 125-127
19. Narrow gap between budgeted and actual flight hours	2003/04		para. 144		1	paras. 136-141
20. On-site review of air carriers	2004/05		para. 151		1	paras. 142-146

Topic	*Year first reported*	*Implemented*	*Under implementation*	*Not implemented*	*Total*	*Reference in the present report*
21. Regular assessments of the financial sustainability of major vendors	**2004/05**	**para. 154**			**1**	**—**
22. Recovery of losses from the bankrupt aviation vendors	**2004/05**	**para. 157**			**1**	**—**
23. Holding the training focal point of UNIFIL accountable	**2004/05**	**para. 163**			**1**	**—**
24. Costing structures	**2004/05**		**para. 168**		**1**	**para. 151**
25. Aviation performance reports	**2003/04**		**paras. 171 and 174**		**2**	**paras. 149-150**
26. Tracking system	**2003/04**		**para. 178**		**1**	**paras. 155-156**
27. Liaison air craft	**2004/05**	**para. 183**			**1**	
28. Executive jets	**2002/03**		**para. 193**		**1**	**paras. 161-162**
29. Air operations security	**2004/05**	**para. 196**			**1**	
30. Vehicle utilization	**2004/05**		**para. 207**		**1**	**paras. 170-173**
31. Cost-effectiveness of scout cars	**2004/05**	**para. 210**			**1**	**—**
32. CarLog information	**2004/05**		**para. 214**		**1**	**paras. 182-184**
33. CarLog implementation	**2004/05**		**para. 218**		**1**	**paras. 179-181**
34. Liberty mileage	**2004/05**		**para. 220**		**1**	**—**
35. Speeding violations and accident costs	**2004/05**		**para. 225**		**1**	**paras. 185-200**
36. Non-expendable property	**2003/04**		**para. 233**		**1**	**paras. 204-215**
37. Policies and procedures relating to strategic deployment stocks	**2002/03**	**para. 240**			**1**	**para. 224**
38. Acknowledgment of receipt	**2003/04**	**para. 245**			**1**	**—**
39. Inspection and recording of strategic deployment stocks	**2003/04**		**para. 249**		**1**	**paras 228-230**
40. Vehicle spare parts stockholding	**2004/05**		**para. 254**		**1**	**paras. 238-241**
41. Recording and storage of spare parts	**2004/05**	**para. 258**			**1**	**—**
42. Fuel monitoring	**2004/05**		**paras. 263 and 269**		**2**	**paras. 161-165**
43. Integrated missions	**2004/05**	**paras. 278 and 284**			**2**	**paras. 242-246**
44. Regional coordination	**2004/05**			**para. 289**	**1**	**paras. 242-250**

Topic	Year first reported	Implemented	Under implementation	Not implemented	Total	Reference in the present report
45. Recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations	**2003/04**		**para. 297**		**1**	**paras. 259-260**
46. Support account	**2004/05**	**para. 307**			**1**	**paras. 261-291**
47. Rations performance evaluations	**2003/04**		**para. 315**		**1**	**paras. 299-301**
48. Implementation of the Office of Internal Oversight Services findings on rations	**2004/05**	**para. 323**			**1**	**—**
49. Proper management of rations	**2004/05**		**para. 326**		**1**	**paras. 293-295**
50. Leave management	**2002/03**		**para. 335**		**1**	**—**
51. Training evaluation	**2002/03**		**para. 345**		**1**	**paras. 305-310**
52. Security of personnel	**2004/05**	**para. 351**			**1**	**—**
53. Hiring through purchase orders	**2004/05**	**para. 354**			**1**	**—**
54. Consultants and individual contractors (justification and analysis in the budget)	**2004/05**	**para. 361**			**1**	**—**
55. Conversion from 300-100 series appointments	**2004/05**		**para. 367**		**1**	**paras. 330-333**
56. Sexual exploitation and abuse	**2004/05**		**para. 374**		**1**	**—**
57. Resident auditors	**2004/05**	**para. 388**	**para. 385**		**2**	**paras. 339-342**
58. Client satisfaction survey form	**2004/05**	**para. 396**			**1**	**—**
59. Cases fraud and presumptive fraud	**2004/05**	**para. 405**	**para. 402**		**3**	**paras. 343-346**
60. Results-based budgeting	**2003/04**		**paras. 411 and 414**		**2**	**paras. 347-352**
61. Hardware age and ratios	**2004/05**	**para. 424**	**para. 421**		**2**	**—**
62. Contingent-owned equipment	**2000/01**		**para. 427**		**1**	**paras. 216-218**
Total		**25 (35 per cent)**	**44 (61 per cent)**	**3 (4 per cent)**	**72**	

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[a] ***Official Records of the General Assembly, Sixtieth Session, Supplement No. 5*** **and Corrigendum (A/60/5 (Vol.II) and Corr.1), chap. II.**

Chapter III

Audit opinion

We have audited the accompanying financial statements of the United Nations peacekeeping operations, comprising statements numbered I to XLIII and the supporting notes, for the financial period ended 30 June 2006. These financial statements are the responsibility of the Secretary-General of the United Nations. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with the common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency and with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies used and significant estimates made by the Secretary-General, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the United Nations peacekeeping operations as at 30 June 2006 and the results of its operations and its cash flows for the period then ended, in accordance with the United Nations system accounting standards.

Furthermore, in our opinion, the transactions of the United Nations peacekeeping operations that have come to our notice, or which we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and Rules of the United Nations and legislative authority.

Without qualifying our audit opinions expressed above, we draw attention to the following matters:

(a) Outstanding assessed contributions older than 12 months amounted to $706.3 million out of the total outstanding assessed contributions of $1.27 billion. The Organization made no provision for delays in collection and explained that these contributions represent binding commitments of Member States;

(b) The savings on or cancellation of prior-period obligations amounted to $304.2 million, representing an increase of 81.3 per cent over that of the preceding financial period of $167.8 million. On account of the accounting policy that recognizes outstanding obligations as part of expense prior to their actual disbursement, the Board is concerned that prior year expenditures were overstated;

(c) Note 13 to the financial statements did not disclose the actuarial valuation of liabilities for after-service health insurance of personnel in the peacekeeping operations. The provision in respect of peacekeeping staff members has not been separately determined and disclosed, but is reflected in the United Nations financial statements (A/61/5 (Vol.I)) in aggregate with other United Nations Secretariat personnel.

In accordance with article VII of the Financial Regulations and Rules, we have also issued a long-form report on our audit of the United Nations peacekeeping operations.

(*Signed*) Philippe Séguin
First President of the Court of Accounts of France
Chairman of the United Nations Board of Auditors

(*Signed*) Guillermo N. Carague
Chairman, Philippine Commission on Audit
(Lead Auditor)

(*Signed*) Terence Nombembe
Auditor-General of the Republic of South Africa

21 February 2007

***Note*: The members of the Board of Auditors have signed only the original English version of the present audit opinion.**

Chapter IV

Certification of the financial statements

1. The financial statements of the United Nations peacekeeping operations for the 12-month period from 1 July 2005 to 30 June 2006 have been prepared in accordance with financial rule 106.10.

2. The summary of significant accounting policies applied in the preparation of these statements is included as notes to the financial statements. These notes provide additional information and clarification for the financial activities related to peacekeeping operations undertaken by the Organization during the period covered by these statements for which the Secretary-General has administrative responsibility.

3. I certify that the appended financial statements of the United Nations peacekeeping operations, numbered I to XLIII, are correct.

(*Signed*) Warren **Sach**
Assistant Secretary-General, Controller

29 September 2006

Chapter V

Financial statements for the 12-month period from 1 July 2005 to 30 June 2006

Statement I

Summary of United Nations peacekeeping operations a/

Statement of income and expenditure and changes in reserves and fund balances for the period
from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Total active operations		Peacekeeping Reserve Fund, Programme Support, Logistics Base	Total completed operations	All peacekeeping fund eliminations	Total for the period	
						1 July 2005 to 30 June 2006	1 July 2004 to 30 June 2005
Income							
Assessed contributions	4 919 718		-	-	-	4 919 718	4 393 867
Voluntary contributions	29 747		-	-	-	29 747	31 972
Funding from other funds	-		13 790	-	(13 790)	-	-
Allocation from other funds	-		159 469	-	(159 469)	-	-
Funding from reserves and fund balances	57 470		44 251	-	-	101 721	11 653
Interest income	60 294		8 434	11 306	-	80 034	29 045
Other/miscellaneous income	16 133		31 215	480	(30 322)	17 506	15 135
Total income	**5 083 362**		**257 159**	**11 786**	**(203 581)**	**5 148 726**	**4 481 672**
Total expenditure	**4 558 347**	b/	**211 347**	**11**	**(186 946)**	**4 582 759**	**4 074 306**
Excess (shortfall) of income over expenditure	**525 015**		**45 812**	**11 775**	**(16 635)**	**565 967**	**407 366**
Prior-period adjustments	(284)		(3 284)	(6 033)	2 845	(6 756)	(6 095)
Net excess (shortfall) of income over expenditure	**524 731**		**42 528**	**5 742**	**(13 790)**	**559 211**	**401 271**
Savings on or cancellation of prior-period obligations	300 210		3 804	152	-	304 166	167 812
Credits returned to Member States	(450 862)		-	(41 767)	-	(492 629)	(245 597)
Transfers to other funds	-		(13 790)	-	13 790	-	-
Transfers from reserves and fund balances	(57 470)		(44 251)	-	-	(101 721)	(11 653)
Reserves and fund balances, beginning of period	**742 812**		**221 852**	**639 416**	**-**	**1 604 080**	**1 292 247**
Reserves and fund balances, end of period	**1 059 421**		**210 143**	**603 543**	**-**	**1 873 107**	**1 604 080**

a/ See note 5.

b/ Schedule 1.1.

The accompanying notes are an integral part of the financial statements.

Schedule 1.1

United Nations peacekeeping operations

Summary of expenditures for active peacekeeping operations for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

Mission	Appropriation		Expenditure							
			Military and police personnel	Civilian personnel	Operational requirements	Prorated costs of UNLB and support account	Voluntary contributions (budgeted)	Total expenditure		Unencumbered Balance
UNFICYP	47 944		18 131	12 229	13 467	2 328	1 278	47 433		511
UNDOF	43 706		20 224	7 868	12 026	2 184	-	42 302		1 404
UNIFIL	99 228		40 778	30 341	20 146	4 975	-	96 240		2 988
MINURSO	51 067		6 217	15 808	20 323	2 408	3 761	48 517		2 550
UNOMIG	36 380		3 954	17 601	9 595	1 818	-	32 968		3 412
UNAMSIL	113 216		34 198	26 580	25 359	5 677	-	91 814		21 402
UNMIK	252 552		70 230	135 815	27 708	12 662	-	246 415		6 137
MONUC	1 157 096		448 543	163 232	443 265	20 221	3 237	1 078 498		78 598
UNMISET	1 758		-	1 104	515	96	-	1 715		43
UNMEE	185 993		78 058	27 778	50 160	9 329	-	165 325		20 668
UNMIL	760 687		377 420	109 620	220 065	38 145	264	745 514		15 173
UNOCI	438 169		185 684	66 984	129 600	19 392	-	401 660		36 509
MINUSTAH	541 302		239 674	88 832	151 131	24 813	-	504 450		36 852
ONUB	307 693		120 527	59 641	58 783	15 421	-	254 372		53 321
UNMIS	969 469		231 665	91 087	478 372	-	-	801 124		168 345
Subtotal	**5 006 260**		**1 875 303**	**854 520**	**1 660 515**	**159 469**	**8 540**	**4 558 347**		**447 913**
UNLB - strategic deployment stock replenishment	66 404	a/	-	-	47 831	-	-	47 831		18 573
Total	**5 072 664**		**1 875 303**	**854 520**	**1 708 346**	**159 469**	**8 540**	**4 606 178**	b/	**466 486**

a/ Appropriations do not apply to strategic deployment stock activities. Instead strategic deployment stocks are replenished as a result of transfers to peacekeeping and political missions.

	(Thousands of United States dollars)
b/ Total expenditure per schedule 1.1	4 606 178
Less: pro-rated costs of UNLB and support account per schedule 1.1	(159 469)
Less: strategic deployment stock replenishments recorded in peacekeeping missions and UNLB	(27 477)
Add: actual costs of UNLB and support account per schedules 20.1 and 21.1	163 515
Add: actual expenditure of Peacekeeping Reserve Fund per statement XIX	1
Add: expenditure of MONUA per statement XXVII	11
Total expenditure as per statement I	4 582 759

Statement I

Summary of United Nations peacekeeping operations a/

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	Total active operations	Peacekeeping Reserve Fund, Programme Support, Logistics Base	Total completed operations	All peacekeeping funds eliminations	Total 2006	Total 2005
Assets						
Cash and term deposits	32 379	1 046	491	-	33 916	34 978
Cash pool b/	1 609 907	207 472	340 667	-	2 158 046	1 707 042
Assessed contributions receivable from Member States c/	730 307	13 607	526 998	-	1 270 912	1 656 986
Special accounts for unpaid assessed contributions	55 552	-	11 962	-	67 514	67 514
Voluntary contributions receivable	5 979	-	-	-	5 979	5 572
Accounts receivable from Member States	3 693	1	135 591 d/	-	139 285	139 592
Other accounts receivable	31 057	2 501	482	(2 378)	31 662	23 445
Inter-fund balances receivable	2 456	27 438	6 540	(36 434)	-	3 412
Due from other peacekeeping funds	-	12 820	23 816	(36 636)	-	-
Deferred charges	6 407	1 029	25	-	7 461	9 807
Inter-office transactions pending processing	602	9	-	-	611	176
Other assets	-	-	2 849	-	2 849	2 849
Total assets	**2 478 339**	**265 923**	**1 049 421**	**(75 448)**	**3 718 235**	**3 651 373**
Liabilities						
Contributions or payments received in advance	6 384	-	66	-	6 450	98 956
Unliquidated obligations	1 011 911	42 119	121	-	1 054 151	1 279 092
Accounts payable to Member States	236 499	-	223 663	-	460 162	336 185
Other accounts payable	82 298	7 510	537	(2 378)	87 967	95 465
Inter-fund balances payable	57 858	6 151	7 151	(36 434)	34 726	35 866
Due to other peacekeeping funds	11 000	-	25 636	(36 636)	-	-
Voluntary contributions held in suspense	11 985	-	-	-	11 985	11 985
Deferred credits	866	-	127 401 d/	-	128 267	128 340
Inter-office transactions pending processing	117	-	17	-	134	118
Due to United Nations Special Account	-	-	3 329	-	3 329	3 329
Due to United Nations Bond Account	-	-	44 048	-	44 048	44 048
Other liabilities	-	-	13 909	-	13 909	13 909
Total liabilities	**1 418 918**	**55 780**	**445 878**	**(75 448)**	**1 845 128**	**2 047 293**
Reserves and fund balances						
Working capital funds	-	150 000	-	-	150 000	150 000
Authorized retained surplus	55 552	-	80 211	-	135 763	135 763
Surplus to be transferred e/	-	-	43 750	-	43 750	43 750
Cumulative surplus - strategic deployment stock activities	-	21 911	-	-	21 911	40 466
Cumulative surplus	1 003 869	38 232	479 582	-	1 521 683	1 234 101
Total reserves and fund balances	**1 059 421**	**210 143**	**603 543**	**-**	**1 873 107**	**1 604 080**
Total liabilities and reserves and fund balances	**2 478 339**	**265 923**	**1 049 421**	**(75 448)**	**3 718 235**	**3 651 373**

a/ See note 5.

b/ See note 2(l)(ii).

c/ Includes assessed contributions unpaid irrespective of collectability.

d/ In accordance with General Assembly resolution 51/12 A of 4 November 1996, includes expenditures totalling $127,379,954, which are reimbursable by Member States as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits. See statement XXXI.

e/ Under the terms of General Assembly resolution 56/292 of 27 June 2002, an amount of $43,750,015 shall be returned to Member States upon their settlement of the separate assessment for strategic deployment stocks. See statements XXXI and XXXIII.

The accompanying notes are an integral part of the financial statements.

Statement III

Summary of United Nations peacekeeping operations a/
Statement of cash flows for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Period	
	1 July 2005 to 30 June 2006	*1 July 2004 to 30 June 2005 b/*
Cash flows from operating activities		
Net excess (shortfall) of income over expenditure (statement I)	559 211	401 271
(Increase) decrease in assessed contributions receivable	386 074	(136 299)
(Increase) decrease in voluntary contributions receivable	(407)	2 446
(Increase) decrease in accounts receivable from Member States	307	1 297
(Increase) decrease in other accounts receivable	(8 217)	(7 921)
(Increase) decrease in inter-fund balances receivable	3 412	1 006
(Increase) decrease in deferred charges	2 346	(5 666)
(Increase) decrease in inter-office transactions pending processing - assets	(435)	348
Increase (decrease) in contributions or payments received in advance	(92 506)	96 437
Increase (decrease) in unliquidated obligations	(224 941)	236 025
Increase (decrease) in accounts payable to Member States	123 977	(284 724)
Increase (decrease) in other accounts payable	(7 498)	(18 374)
Increase (decrease) in inter-fund balances payable	(1 140)	6 871
Increase (decrease) in voluntary contributions held in suspense	-	45
Increase (decrease) in deferred credits	(73)	473
Increase (decrease) in inter-office transactions pending processing - liabilities	16	(825)
Less: Interest income	(80 034)	(29 045)
Net cash flows from operating activities	**660 092**	**263 365**
Cash flows from investing activities		
(Increase) decrease in cash pool	(451 004)	(207 277)
Plus: Interest income	80 034	29 045
Net cash flows from investing activities	**(370 970)**	**(178 232)**
Cash flows from financing activities		
Savings on or cancellation of prior-periods obligations	304 166	167 812
Credits to Member States	(492 629)	(245 597)
Transfer from reserves and fund balances	(101 721)	(11 653)
Net cash flows from financing activities	**(290 184)**	**(89 438)**
Net increase (decrease) in cash and term deposits	(1 062)	(4 305)
Cash and term deposits, beginning of period	34 978	39 283
Cash and term deposits, end of period	**33 916**	**34 978**

a/ See note 5.

b/ Comparative figures have been reclassified to conform to current presentation.

The accompanying notes are an integral part of the financial statements.

Statement IV

United Nations Peacekeeping Force in Cyprus (UNFICYP) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	25 314	30 212
Voluntary contributions c/	22 477	24 802
Interest income	390	260
Other/miscellaneous income	761	166
Total income	**48 942**	**55 440**
Total expenditure (schedule 4.1)	**47 433**	**52 556**
Excess (shortfall) of income over expenditure	**1 509**	**2 884**
Prior-period adjustments	-	(40)
Net excess (shortfall) of income over expenditure	**1 509**	**2 844**
Savings on or cancellation of prior-period obligations	641	154
Credits returned to Member States d/	(1 333)	(1 354)
Reserves and fund balances, beginning of period	21 423	19 779
Reserves and fund balances, end of period e/	**22 240**	**21 423**

Statement IV (concluded)

United Nations Peacekeeping Force in Cyprus (UNFICYP)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	925	1 602
Cash pool f/	7 660	8 884
Assessed contributions receivable from Member States b/	16 138	14 220
Voluntary contributions receivable from Member States g/	5 979	5 572
Accounts receivable from Member States	118	34
Other accounts receivable	119	92
Deferred charges	123	87
Inter-office transactions pending processing	1	-
Total assets	**31 063**	**30 491**
Liabilities		
Contributions or payments received in advance	69	217
Unliquidated obligations - current period	7 113	8 069
Unliquidated obligations - prior periods	525	76
Accounts payable to Member States	439	-
Other accounts payable	244	451
Inter-fund balances payable	433	255
Total liabilities	**8 823**	**9 068**
Reserves and fund balances		
Cumulative surplus	22 240	21 423
Total reserves and fund balances	**22 240**	**21 423**
Total liabilities and reserves and fund balances	**31 063**	**30 491**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Includes voluntary contributions in cash of $14,699,000 from Cyprus and $6,500,000 from Greece, for which budgetary provisions were made. In addition, voluntary contributions in kind was received from Cyprus of $1,278,444, for which budgetary provisions were made.

d/ Under the terms of General Assembly resolution 60/270 of 30 June 2006, the total credits returned to Member States were $1,333,300 for the period ended 30 June 2005. Of the total, $870,911 was returned to Member States in respect of their assessments, and amounts of $331,400 and $130,989 were returned to Cyprus and Greece, respectively, with regard to their voluntary contributions in cash.

e/ For the period from 27 March 1964 to 15 June 1993, obligations recorded in the UNFICYP account are limited to the availability of funds in the special account through voluntary contributions. From the inception of the mission to 30 June 2006, the cumulative unrecorded obligations totalled $202,761,271. The change from the comparable figure as at 30 June 2005 of $194,762,047 is due to exchange rate movements.

f/ Represents share of the cash pool and comprises cash and term deposits of $1,206,097, short-term investments of $4,169,532 (market value $4,169,532), long-term investments of $2,230,496 (market value $2,201,392) and accrued interest receivable of $53,844.

g/ Represents voluntary contributions receivable in cash in respect of the period ended 30 June 2006 of $281,063 and $139,849 from Cyprus and Greece, respectively; and voluntary contributions receivable in respect of the period prior to 15 June 1993 of $2,707,500 and 16,930,100 Danish kroner, equivalent to $2,850,185, from Austria and Denmark, respectively.

The accompanying notes are an integral part of the financial statements.

Schedule 4.1

United Nations Peacekeeping Force in Cyprus (UNFICYP)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	18 050	118	18 168	14 458	3 673	18 131	37
Civilian personnel	12 579	(293)	12 286	12 022	207	12 229	57
Operational requirements	13 556	175	13 731	10 234	3 233	13 467	264
Subtotal	**44 185**	**-**	**44 185**	**36 714**	**7 113**	**43 827**	**358**
Prorated costs							
UNLB	424	-	424	424	-	424	-
Support account for peacekeeping operations	1 904	-	1 904	1 904	-	1 904	-
Subtotal	**2 328**	**-**	**2 328**	**2 328**	**-**	**2 328**	**-**
Voluntary contributions in kind (budgeted)	1 431	-	1 431	1 278	-	1 278	153
Total	**47 944**	**-**	**47 944**	**40 320**	**7 113**	**47 433**	**511**

Statement V

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF) a/

Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	43 706	43 033
Interest income	944	594
Other/miscellaneous income	381	638
Total income	**45 031**	**44 265**
Total expenditure (schedule 5.1)	**42 302**	**42 951**
Excess (shortfall) of income over expenditure	**2 729**	**1 314**
Prior-period adjustments	-	(2)
Net excess (shortfall) of income over expenditure	**2 729**	**1 312**
Savings on or cancellation of prior-period obligations	2 871	671
Credits returned to Member States c/	(1 983)	(1 593)
Reserves and fund balances, beginning of period	58 528	58 138
Reserves and fund balances, end of period	**62 145**	**58 528**

Statement V (concluded)

United Nations Emergency Force (UNEF) 1973 and United Nations Disengagement Observer Force (UNDOF)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits d/	500	1 475
Cash pool e/	23 321	25 812
Assessed contributions receivable from Member States b/	16 564	11 988
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A f/	35 987	35 987
Accounts receivable from Member States	261	233
Other accounts receivable	331	318
Deferred charges	98	110
Total assets	**77 062**	**75 923**
Liabilities		
Contributions or payments received in advance	8	430
Unliquidated obligations - current period	9 965	11 186
Unliquidated obligations - prior periods	2 244	3 271
Accounts payable to Member States	890	1 142
Other accounts payable	450	597
Inter-fund balances payable	1 360	769
Total liabilities	**14 917**	**17 395**
Reserves and fund balances		
Authorized retained surplus g/	35 987	35 987
Cumulative surplus	26 158	22 541
Total reserves and fund balances	**62 145**	**58 528**
Total liabilities and reserves and fund balances	**77 062**	**75 923**

a/ See notes 2, 3 and 4.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/277 of 30 June 2006, the total assessment on Member States was reduced by $1,983,300 comprising unencumbered balance and other income for the period ended 30 June 2005.

d/ Includes $186,141 equivalent of non-convertible Syrian pounds.

e/ Represents share of the cash pool and comprises cash and term deposits of $3,672,055, short-term investments of $12,694,466 (market value $12,694,466), long-term investments of $6,790,921 (market value $6,702,309) and accrued interest receivable of $163,933.

f/ See note 4 (b).

g/ See note 6.

The accompanying notes are an integral part of the financial statements.

Schedule 5.1

United Nations Disengagement Observer Force (UNDOF)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	20 138	559	20 697	15 551	4 673	20 224	473
Civilian personnel	8 377	(212)	8 165	7 812	56	7 868	297
Operational requirements	13 007	(347)	12 660	6 790	5 236	12 026	634
Subtotal	**41 522**	**-**	**41 522**	**30 153**	**9 965**	**40 118**	**1 404**
Prorated costs							
UNLB	398	-	398	398	-	398	-
Support account for peacekeeping operations	1 786	-	1 786	1 786	-	1 786	-
Subtotal	**2 184**	**-**	**2 184**	**2 184**	**-**	**2 184**	**-**
Total	**43 706**	**-**	**43 706**	**32 337**	**9 965**	**42 302**	**1 404**

Statement VI

United Nations Interim Force in Lebanon (UNIFIL) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	99 228	97 804
Interest income	2 241	1 715
Other/miscellaneous income	808	717
Total income	**102 277**	**100 236**
Total expenditure (schedule 6.1)	**96 240**	**94 088**
Excess (shortfall) of income over expenditure	**6 037**	**6 148**
Prior-period adjustments	-	(13)
Net excess (shortfall) of income over expenditure	**6 037**	**6 135**
Savings on or cancellation of prior-period obligations	11 991	2 680
Credits returned to Member States c/	(8 815)	(71 776)
Reserves and fund balances, beginning of period	94 267	157 228
Reserves and fund balances, end of period	**103 480**	**94 267**

Statement VI (concluded)

United Nations Interim Force in Lebanon (UNIFIL)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	1 919	1 482
Cash pool d/	48 613	69 686
Assessed contributions receivable from Member States b/	60 498	51 479
Special account for unpaid assessed contributions pursuant to General Assembly resolution 36/116 A e/	19 565	19 565
Accounts receivable from Member States	1 599	1 622
Other accounts receivable	518	541
Inter-fund balances receivable	2 456	472
Deferred charges	283	306
Inter-office transactions pending processing	65	26
Total assets	**135 516**	**145 179**
Liabilities		
Contributions or payments received in advance	387	4 881
Unliquidated obligations - current period	13 254	13 817
Unliquidated obligations - prior periods	1 406	9 258
Accounts payable to Member States	3 467	10 282
Other accounts payable	1 522	674
Voluntary contributions held in suspense f/	11 985	11 985
Deferred credits	15	15
Total liabilities	**32 036**	**50 912**
Reserves and fund balances		
Authorized retained surplus g/	19 565	19 565
Cumulative surplus	83 915	74 702
Total reserves and fund balances	**103 480**	**94 267**
Total liabilities and reserves and fund balances	**135 516**	**145 179**

a/ See notes 2, 3 and 4.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/278 of 30 June 2006, the total assessment on Member States was reduced by $8,814,700, comprising unencumbered balance and other income for the period ended 30 June 2005.

d/ Represents share of the cash pool and comprises cash and term deposits of $7,654,327, short-term investments of $26,461,361 (market value $26,461,361), long-term investments of $14,155,539 (market value $13,970,830) and accrued interest receivable of $341,715.

e/ See note 4 (c).

f/ Received from Cyprus, Kuwait, Luxembourg, Oman, Seychelles and Switzerland.

g/ See note 7.

The accompanying notes are an integral part of the financial statements.

Schedule 6.1

United Nations Interim Force in Lebanon (UNIFIL)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	39 143	3 110	42 253	35 129	5 649	40 778	1 475
Civilian personnel	33 938	(2 380)	31 558	30 122	219	30 341	1 217
Operational requirements	21 172	(730)	20 442	12 760	7 386	20 146	296
Subtotal	**94 253**	**-**	**94 253**	**78 011**	**13 254**	**91 265**	**2 988**
Prorated costs							
UNLB	907	-	907	907	-	907	-
Support account for peacekeeping operations	4 068	-	4 068	4 068	-	4 068	-
Subtotal	**4 975**	**-**	**4 975**	**4 975**	**-**	**4 975**	**-**
Total	**99 228**	**-**	**99 228**	**82 986**	**13 254**	**96 240**	**2 988**

Statement VII

United Nations Mission for the Referendum in Western Sahara (MINURSO) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	47 948	44 041
Voluntary contributions c/	3 761	3 885
Interest income	167	88
Other/miscellaneous income	254	46
Total income	**52 130**	**48 060**
Total expenditure (schedule 7.1)	**48 517**	**47 464**
Excess (shortfall) of income over expenditure	3 613	596
Prior-period adjustments	(3)	(1)
Net excess (shortfall) of income over expenditure	3 610	595
Savings on or cancellation of prior-period obligations	856	889
Credits returned to Member States d/	(1 483)	(3 873)
Reserves and fund balances, beginning of period	27 858	30 247
Reserves and fund balances, end of period	**30 841**	**27 858**

Statement VII (concluded)

United Nations Mission for the Referendum in Western Sahara (MINURSO)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	266	1 140
Cash pool e/	2 411	1 762
Assessed contributions receivable from Member States b/	48 793	43 652
Accounts receivable from Member States	390	588
Other accounts receivable	379	139
Deferred charges	18	31
Total assets	**52 257**	**47 312**
Liabilities		
Contributions or payments received in advance	130	203
Unliquidated obligations - current period	5 432	5 376
Unliquidated obligations - prior periods	1 371	1 234
Accounts payable to Member States	309	1 866
Other accounts payable	2 400	817
Inter-fund balances payable	737	937
Due to UNPF	11 000	9 000
Deferred credits	32	12
Inter-office transactions pending processing	5	9
Total liabilities	**21 416**	**19 454**
Reserves and fund balances		
Cumulative surplus	30 841	27 858
Total reserves and fund balances	**30 841**	**27 858**
Total liabilities and reserves and fund balances	**52 257**	**47 312**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents voluntary contributions in kind from Morocco, Algeria and the Frente Polisario amounting to $3,130,971, $420,325 and $210,000 respectively, for which budgetary provisions have been made for meals, transportation and other miscellaneous services.

d/ Under the terms of General Assembly resolution 60/280 of 30 June 2006, the total assessment on Member States was reduced by $1,483,200, comprising unencumbered balance and other income for the period ended 30 June 2005.

e/ Represents share of the cash pool and comprises cash and term deposits of $379,561, short-term investments of $1,312,160 (market value $1,312,160), long-term investments of $701,942 (market value $692,782) and accrued interest receivable of $16,945.

The accompanying notes are an integral part of the financial statements.

Schedule 7.1

United Nations Mission for the Referendum in Western Sahara (MINURSO)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			Expenditure			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
ary and police personnel	6 433	12	6 445	5 373	844	6 217	228
lian personnel	17 545	(508)	17 037	15 771	37	15 808	1 229
rational requirements	21 563	496	22 059	15 772	4 551	20 323	1 736
Subtotal	**45 541**	-	**45 541**	**36 916**	**5 432**	**42 348**	**3 193**
rated costs							
UNLB	439	-	439	439	-	439	-
Support account for peacekeeping operations	1 969	-	1 969	1 969	-	1 969	-
Subtotal	**2 408**	-	**2 408**	**2 408**	-	**2 408**	-
Voluntary contributions in kind (budgeted)	3 118	-	3 118	3 761	-	3 761	(643)
Total	**51 067**	-	**51 067**	**43 085**	**5 432**	**48 517**	**2 550**

Statement VIII

United Nations Observer Mission in Georgia (UNOMIG) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	1 July 2004-30 June 2005
Income		
Assessed contributions b/	36 380	33 589
Interest income	241	113
Other/miscellaneous income	120	145
Total income	**36 741**	**33 847**
Total expenditure (schedule 8.1)	**32 968**	**32 734**
Excess (shortfall) of income over expenditure	**3 773**	**1 113**
Prior-period adjustments	-	(2)
Net excess (shortfall) of income over expenditure	**3 773**	**1 111**
Savings on or cancellation of prior-period obligations	1 015	744
Credits returned to Member States c/	(1 855)	(1 104)
Reserves and fund balances, beginning of period	7 672	6 921
Reserves and fund balances, end of period	**10 605**	**7 672**

Statement VIII (concluded)

United Nations Observer Mission in Georgia (UNOMIG)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	589	403
Cash pool d/	2 113	5 411
Assessed contributions receivable from Member States b/	12 224	7 636
Other accounts receivable	111	161
Deferred charges	40	126
Total assets	**15 077**	**13 737**
Liabilities		
Contributions or payments received in advance	15	824
Unliquidated obligations - current period	2 768	2 898
Unliquidated obligations - prior periods	93	210
Accounts payable to Member States	670	855
Other accounts payable	607	924
Inter-fund balances payable	319	354
Total liabilities	**4 472**	**6 065**
Reserves and fund balances		
Cumulative surplus	10 605	7 672
Total reserves and fund balances	**10 605**	**7 672**
Total liabilities and reserves and fund balances	**15 077**	**13 737**

a/ See notes 2 and 3.

b/ Includes assessed contributions unpaid irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/273 of 30 June 2006, the total assessment on Member States was reduced by $1,854,900, comprising unencumbered balance and other income in respect of the period ended 30 June 2005.

d/ Represents share of the cash pool and comprises cash and term deposits of $332,623, short-term investments of $1,149,894 (market value $1,149,894), long-term investments of $615,137 (market value $607,111) and accrued interest receivable of $14,850.

The accompanying notes are an integral part of the financial statements.

Schedule 8.1

United Nations Observer Mission in Georgia (UNOMIG)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	4 168	-	4 168	3 744	210	3 954	214
Civilian personnel	17 190	529	17 719	17 461	140	17 601	118
Operational requirements	13 204	(529)	12 675	7 177	2 418	9 595	3 080
Subtotal	**34 562**	**-**	**34 562**	**28 382**	**2 768**	**31 150**	**3 412**
Prorated costs							
UNLB	331	-	331	331	-	331	-
Support account for peacekeeping operations	1 487	-	1 487	1 487	-	1 487	-
Subtotal	**1 818**	**-**	**1 818**	**1 818**	**-**	**1 818**	**-**
Total	**36 380**	**-**	**36 380**	**30 200**	**2 768**	**32 968**	**3 412**

Statement IX

United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL) a/

Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	113 216	301 868
Interest income	7 956	3 969
Other/miscellaneous income	2 711	760
Total income	**123 883**	**306 597**
Total expenditure (schedule 9.1)	**91 814**	**274 789**
Excess (shortfall) of income over expenditure	**32 069**	**31 808**
Prior-period adjustments	(11)	(145)
Net excess (shortfall) of income over expenditure	**32 058**	**31 663**
Savings on or cancellation of prior-period obligations	109 462	67 625
Credits returned to Member States c/	(99 288)	(54 055)
Reserves and fund balances, beginning period	101 610	56 377
Reserves and fund balances, end of period	**143 842**	**101 610**

Statement IX (concluded)

United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits d/	1 059	1 754
Cash pool e/	204 010	235 942
Assessed contributions receivable from Member States b/	14 787	54 287
Accounts receivable from Member States	14	-
Other accounts receivable	2 667	957
Deferred charges	13	309
Inter-office transactions pending processing	13	23
Total assets	**222 563**	**293 272**
Liabilities		
Contributions or payments received in advance	-	5 561
Unliquidated obligations - current period	2 322	33 568
Unliquidated obligations - prior periods	3 984	111 669
Accounts payable to Member States	70 902	37 279
Other accounts payable	468	3 146
Inter-fund balances payable	1 033	386
Deferred credits	4	45
Inter-office transactions pending processing	8	8
Total liabilities	**78 721**	**191 662**
Reserves and fund balances		
Cumulative surplus	143 842	101 610
Total reserves and fund balances	**143 842**	**101 610**
Total liabilities and reserves and fund balances	**222 563**	**293 272**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/279 of 30 June 2006, Member States were credited with $99,287,600, comprising unencumbered balance and other income in respect of the financial period ended 30 June 2005.

d/ Includes non-convertible Sierra Leonean leones equivalent to $286,154.

e/ Represents share of the cash pool and comprises cash and term deposits of $32,122,372, short-term investments of $111,048,523 (market value $111,048,523), long-term investments of $59,405,551 (market value $58,630,392) and accrued interest receivable of $1,434,049.

The accompanying notes are an integral part of the financial statements.

Schedule 9.1

United Nations Mission in Sierra Leone (UNAMSIL)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
ilitary and police personnel	36 646	1 730	38 376	34 034	164	34 198	4 178
ivilian personnel	28 165	-	28 165	26 286	294	26 580	1 585
perational requirements	42 728	(1 730)	40 998	23 495	1 864	25 359	15 639
Subtotal	**107 539**	**-**	**107 539**	**83 815**	**2 322**	**86 137**	**21 402**
rorated costs							
UNLB	1 035	-	1 035	1 035	-	1 035	-
Support account for peacekeeping operations	4 642	-	4 642	4 642	-	4 642	-
Subtotal	**5 677**	**-**	**5 677**	**5 677**	**-**	**5 677**	**-**
Total	**113 216**	**-**	**113 216**	**89 492**	**2 322**	**91 814**	**21 402**

Statement X

United Nations Interim Administration Mission in Kosovo (UNMIK) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	252 552	308 414
Interest income	1 655	796
Other/miscellaneous income	1 890	1 570
Total income	**256 097**	**310 780**
Total expenditure (schedule 10.1)	**246 415**	**308 285**
Excess (shortfall) of income over expenditure	**9 682**	**2 495**
Prior-period adjustments	(21)	(149)
Net excess (shortfall) of income over expenditure	**9 661**	**2 346**
Savings on or cancellation of prior-period obligations	2 960	8 078
Credits returned to Member States c/	(10 424)	(4 470)
Reserves and fund balances, beginning of period	14 002	8 048
Reserves and fund balances, end of period	**16 199**	**14 002**

Statement X (concluded)

United Nations Interim Administration Mission in Kosovo (UNMIK)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	2 954	1 320
Cash pool d/	2 815	4 548
Assessed contributions receivable from Member States b/	51 003	77 614
Accounts receivable from Member States	8	18
Other accounts receivable	1 270	1 152
Deferred charges	77	103
Total assets	**58 127**	**84 755**
Liabilities		
Contributions or payments received in advance	99	139
Unliquidated obligations - current period	15 303	19 371
Unliquidated obligations - prior periods	7 255	9 204
Accounts payable to Member States	10 475	14 971
Other accounts payable	3 312	1 957
Due to UNPF	-	20 000
Inter-fund balances payable	5 448	5 072
Deferred credits	36	39
Total liabilities	**41 928**	**70 753**
Reserves and fund balances		
Cumulative surplus	16 199	14 002
Total reserves and fund balances	**16 199**	**14 002**
Total liabilities, reserves and fund balances	**58 127**	**84 755**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/275 of 30 June 2006, the total assessment on Member States was reduced by $10,423,600, comprising unencumbered balance and other income for the period ended 30 June 2005.

d/ Represents share of the cash pool and comprises cash and term deposits of $443,210, short-term investments of $1,532,198 (market value $1,532,198), long-term investments of $819,651 (market value $808,956) and accrued interest receivable of $19,786.

The accompanying notes are an integral part of the financial statements.

Schedule 10.1

United Nations Interim Administration Mission in Kosovo (UNMIK)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			Expenditure			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	66 625	3 999	70 624	60 145	10 085	70 230	394
Civilian personnel	138 235	1 210	139 445	135 349	466	135 815	3 630
Operational requirements	35 030	(5 209)	29 821	22 956	4 752	27 708	2 113
Subtotal	**239 890**	**-**	**239 890**	**218 450**	**15 303**	**233 753**	**6 137**
Prorated costs							
UNLB	2 308	-	2 308	2 308	-	2 308	-
Support account for peacekeeping operations	10 354	-	10 354	10 354	-	10 354	-
Subtotal	**12 662**	**-**	**12 662**	**12 662**	**-**	**12 662**	**-**
Total	**252 552**	**-**	**252 552**	**231 112**	**15 303**	**246 415**	**6 137**

Statement XI

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	1 153 893	991 715
Voluntary contributions c/	3 245	3 105
Interest income	11 417	2 465
Other/miscellaneous income	1 974	369
Total income	**1 170 529**	**997 654**
Total expenditure (schedule 11.1)	**1 078 498**	**940 946**
Excess (shortfall) of income over expenditure	**92 031**	**56 708**
Prior-period adjustments	-	(1)
Net excess (shortfall) of income over expenditure	**92 031**	**56 707**
Savings on or cancellation of prior-period obligations	44 998	12 055
Credits returned to Member States d/	(101 606)	-
Reserves and fund balances, beginning of period	101 767	33 005
Reserves and fund balances, end of period	**137 190**	**101 767**

Statement XI (concluded)

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	5 187	9 432
Cash pool e/	326 632	187 693
Assessed contributions receivable from Member States b/	123 934	279 012
Accounts receivable from Member States	26	14
Other accounts receivable	9 272	4 743
Deferred charges	1 801	1 301
Inter-office transactions pending processing	442	54
Total assets	**467 294**	**482 249**
Liabilities		
Contributions or payments received in advance	789	2 273
Unliquidated obligations - current period	246 034	284 446
Unliquidated obligations - prior period	17 434	26 562
Accounts payable to Member States	32 274	32 776
Other accounts payable	23 857	31 805
Inter-fund balances payable	9 423	2 365
Deferred credits	198	162
Inter-office transactions pending processing	95	93
Total liabilities	**330 104**	**380 482**
Reserves and fund balances		
Cumulative surplus	137 190	101 767
Total reserves and fund balances	**137 190**	**101 767**
Total liabilities and reserves and fund balances	**467 294**	**482 249**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents voluntary contributions in kind received from Fondation Hirondelle for the operation of Radio Okapi, for which budgetary provisions were made.

d/ Under the terms of General Assembly resolution 60/121 A of 8 December 2005, the total assessment on Member States was reduced by $32,836,900, comprising unencumbered balance and other income in respect of the period ended 30 June 2004. Under the terms of General Assembly resolution 60/121 B of 30 June 2006, the total assessment on Member States was reduced by $68,769,500, comprising unencumbered balance and other income in respect of the period ended 30 June 2005.

e/ Represents share of the cash pool and comprises cash and term deposits of $51,429,650, short-term investments of $177,794,673 (market value $177,794,673), long-term investments of $95,111,490 (market value $93,870,420) and accrued interest receivable of $2,295,990.

The accompanying notes are an integral part of the financial statements.

Schedule 11.1

United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	444 821	10 124	454 945	353 354	95 189	448 543	6 402
Civilian personnel	176 887	(26)	176 861	159 696	3 536	163 232	13 629
Operational requirements	511 964	(10 098)	501 866	295 956	147 309	443 265	58 601
Subtotal	**1 133 672**	**-**	**1 133 672**	**809 006**	**246 034**	**1 055 040**	**78 632**
Prorated costs							
UNLB	3 686	-	3 686	3 686	-	3 686	-
Support account for peacekeeping operations	16 535	-	16 535	16 535	-	16 535	-
Subtotal	**20 221**	**-**	**20 221**	**20 221**	**-**	**20 221**	**-**
Voluntary contributions in kind (budgeted)	3 203	-	3 203	3 237	-	3 237	(34)
Total	**1 157 096**	**-**	**1 157 096**	**832 464**	**246 034**	**1 078 498**	**78 598**

Statement XII

United Nations Transitional Administration in East Timor (UNTAET)/
United Nations Mission of Support in East Timor (UNMISET) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	1 758	85 154
Voluntary contributions	-	60
Interest income	716	614
Other income	1 046	559
Total income	**3 520**	**86 387**
Total expenditure (schedule 12.1)	**1 715**	**81 609**
Excess (shortfall) of income over expenditure	**1 805**	**4 778**
Prior-period adjustments c/	(224)	(1)
Net excess (shortfall) of income over expenditure	**1 581**	**4 777**
Savings on or cancellation of prior-period obligations	30 255	11 999
Credits returned to Member States d/	(16 776)	(32 650)
Reserves and fund balances, beginning of period	19 279	35 153
Reserves and fund balances, end of period	**34 339**	**19 279**

Statement XII (concluded)

United Nations Transitional Administration in East Timor (UNTAET)/ United Nations Mission of Support in East Timor (UNMISET)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	400	2 840
Cash pool e/	19 420	16 886
Assessed contributions receivable from Member States b/	36 751	55 360
Accounts receivable from Member States	380	419
Other accounts receivable	122	1 449
Deferred charges	-	98
Inter-office transactions pending processing	-	1
Total assets	**57 073**	**77 053**
Liabilities		
Contributions or payments received in advance	1 700	4
Unliquidated obligations - current period	61	9 964
Unliquidated obligations - prior period	3 557	32 603
Accounts payable to Member States	15 144	12 764
Other accounts payable	120	1 213
Inter-fund balances payable	2 137	1 210
Deferred credits	12	14
Inter-office transactions pending processing	3	2
Total liabilities	**22 734**	**57 774**
Reserves and fund balances		
Cumulative surplus	34 339	19 279
Total reserves and fund balances	**34 339**	**19 279**
Total liabilities and reserves and fund balances	**57 073**	**77 053**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents civilian personnel costs of $220,936 and write-offs of $3,392.

d/ Under the terms of General Assembly resolution 60/271 of 30 June 2006, Member States were credited with $16,775,900, comprising unencumbered balance and other income for the period ended 30 June 2005.

e/ Represents share of the cash pool and comprises cash and term deposits of $3,057,797, short-term investments of $10,570,944 (market value $10,570,944), long-term investments of $5,654,940 (market value $5,581,151) and accrued interest receivable of $136,510.

The accompanying notes are an integral part of the financial statements.

Schedule 12.1

United Nations Mission of Support in East Timor (UNMISET)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Civilian personnel	998	73	1 071	1 102	2	1 104	(33)
Operational requirements	664	(73)	591	456	59	515	76
Subtotal	**1 662**	**-**	**1 662**	**1 558**	**61**	**1 619**	**43**
Prorated costs							
UNLB	18	-	18	18	-	18	-
Support account for peacekeeping operations	78	-	78	78	-	78	-
Subtotal	**96**	**-**	**96**	**96**	**-**	**96**	**-**
Total	**1 758**	**-**	**1 758**	**1 654**	**61**	**1 715**	**43**

Statement XIII

United Nations Mission in Ethiopia and Eritrea (UNMEE) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	185 993	216 031
Interest income	2 114	996
Other/miscellaneous income	432	213
Total income	**188 539**	**217 240**
Total expenditure (schedule 13.1)	**165 325**	**191 030**
Excess (shortfall) of income over expenditure	**23 214**	**26 210**
Prior-period adjustments	(23)	(13)
Net excess (shortfall) of income over expenditure	**23 191**	**26 197**
Savings on or cancellation of prior-period obligations	12 666	5 957
Credits returned to Member States c/	(32 154)	(20 185)
Reserves and fund balances, beginning of period	32 152	20 183
Reserves and fund balances, end of period	**35 855**	**32 152**

Statement XIII (concluded)

United Nations Mission in Ethiopia and Eritrea (UNMEE)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits d/	1 367	1 661
Cash pool e/	44 917	47 351
Assessed contributions receivable from Member States b/	22 394	35 999
Accounts receivable from Member States	862	998
Other accounts receivable	3 936	582
Deferred charges	123	116
Inter-office transactions pending processing	17	34
Total assets	**73 616**	**86 741**
Liabilities		
Contributions or payments received in advance	1 557	327
Unliquidated obligations - current period	26 778	33 044
Unliquidated obligations - prior period	3 519	9 710
Accounts payable to Member States	3 898	9 032
Other accounts payable	888	1 957
Inter-fund balances payable	604	137
Deferred credits	514	382
Interoffice transactions pending processing	3	-
Total liabilities	**37 761**	**54 589**
Reserves and fund balances		
Cumulative surplus	35 855	32 152
Total reserves and fund balances	**35 855**	**32 152**
Total liabilities and reserves and fund balances	**73 616**	**86 741**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/272 of 30 June 2006, the total assessment on Member States was reduced by $32,154,200, comprising the unencumbered balance and other income in respect of the financial period ended 30 June 2005.

d/ Includes non-convertible Eritrean nakfa equivalent to $5,159 and non-convertible Ethiopian birr equivalent to $62,004.

e/ Represents share of the cash pool and comprises cash and term deposits of $7,072,307, short-term investments of $24,449,291 (market value $24,449,291), long-term investments of $13,079,180 (market value $12,908,515) and accrued interest receivable of $315,731.

The accompanying notes are an integral part of the financial statements.

Schedule 13.1

United Nations Mission in Ethiopia and Eritrea (UNMEE)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
litary and police personnel	79 598	1 653	81 251	63 810	14 248	78 058	3 193
vilian personnel	32 718	(436)	32 282	27 449	329	27 778	4 504
perational requirements	64 348	(1 217)	63 131	37 959	12 201	50 160	12 971
Subtotal	**176 664**	**-**	**176 664**	**129 218**	**26 778**	**155 996**	**20 668**
orated costs							
UNLB	1 701	-	1 701	1 701	-	1 701	-
Support account for peacekeeping operations	7 628	-	7 628	7 628	-	7 628	-
Subtotal	**9 329**	**-**	**9 329**	**9 329**	**-**	**9 329**	**-**
Total	**185 993**	**-**	**185 993**	**138 547**	**26 778**	**165 325**	**20 668**

Statement XIV

United Nations Mission in Liberia (UNMIL) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period 1 July 2005-30 June 2006	1 July 2004-30 June 2005
Income		
Assessed contributions b/	760 567	864 816
Voluntary contributions c/	264	120
Interest income	11 164	5 046
Other/miscellaneous income	2 058	759
Total income	**774 053**	**870 741**
Total expenditure (schedule 14.1)	**745 514**	**783 915**
Net excess (shortfall) of income over expenditure	**28 539**	**86 826**
Savings on or cancellation of prior-period obligations	34 598	21 483
Credits returned to Member States d/	(108 309)	(17 034)
Reserves and fund balances, beginning of period	108 309	17 034
Reserves and fund balances, end of period	**63 137**	**108 309**

Statement XIV (concluded)

United Nations Mission in Liberia (UNMIL)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	4 929	1 754
Cash pool e/	214 748	287 568
Assessed contributions receivable from Member States b/	57 011	51 528
Accounts receivable from Member States	1	-
Other accounts receivable	2 052	2 310
Deferred charges	1 120	1 241
Inter-office transactions pending processing	4	6
Total assets	**279 865**	**344 407**
Liabilities		
Contributions or payments received in advance	676	843
Unliquidated obligations - current period	111 146	183 076
Unliquidated obligations - prior period	26 143	19 754
Accounts payable to Member States	66 245	20 853
Other accounts payable	8 735	8 702
Inter-fund balances payable	3 760	2 860
Deferred credits	23	7
Inter-office transactions pending processing	-	3
Total liabilities	**216 728**	**236 098**
Reserves and fund balances		
Cumulative surplus	63 137	108 309
Total reserves and fund balances	**63 137**	**108 309**
Total liabilities and reserves and fund balances	**279 865**	**344 407**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents voluntary contribution in kind from Germany for premises, for which budgetary provisions were made.

d/ Under the terms of General Assembly resolution 60/276 of 30 June 2006, the total assessment on Member States was reduced by $108,308,700, comprising unencumbered balance and other income for the period ended 30 June 2005.

e/ Represents share of the cash pool and comprises cash and term deposits of $33,813,006, short-term investments of $116,893,124 (market value $116,893,124), long-term investments of $62,532,128 (market value $61,716,172) and accrued interest receivable of $1,509,525.

The accompanying notes are an integral part of the financial statements.

Schedule 14.1

United Nations Mission in Liberia (UNMIL)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	372 059	7 663	379 722	318 100	59 320	377 420	2 302
Civilian personnel	106 511	4 954	111 465	107 486	2 134	109 620	1 845
Operational requirements	243 852	(12 617)	231 235	170 373	49 692	220 065	11 170
Subtotal	**722 422**	**-**	**722 422**	**595 959**	**111 146**	**707 105**	**15 317**
Prorated costs							
UNLB	6 954	-	6 954	6 954	-	6 954	-
Support account for peacekeeping operations	31 191	-	31 191	31 191	-	31 191	-
Subtotal	**38 145**	**-**	**38 145**	**38 145**	**-**	**38 145**	**-**
Voluntary contributions in kind (budgeted)	120	-	120	264	-	264	(144)
Total	**760 687**	**-**	**760 687**	**634 368**	**111 146**	**745 514**	**15 173**

Statement XV

United Nations Operation in Côte d'Ivoire (UNOCI) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	438 169	388 928
Interest income	4 776	1 757
Other/miscellaneous income	308	183
Total income	**443 253**	**390 868**
Total expenditure (schedule 15.1)	**401 660**	**347 345**
Excess (shortfall) of income over expenditure	**41 593**	**43 523**
Savings on or cancellation of prior-period obligations	10 784	13 862
Credits returned to Member States c/	(57 385)	(13 329)
Reserves and fund balances, beginning of period	57 385	13 329
Reserves and fund balances, end of period	**52 377**	**57 385**

Statement XV (concluded)

United Nations Operation in Côte d'Ivoire (UNOCI)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	1 634	1 337
Cash pool d/	113 636	71 347
Assessed contributions receivable from Member States b/	41 448	94 234
Accounts receivable from Member States	-	2
Other accounts receivable	3 250	1 117
Deferred charges	899	449
Inter-office transactions pending processing	-	1
Total assets	**160 867**	**168 487**
Liabilities		
Contributions or payments received in advance	809	52
Unliquidated obligations - current period	75 100	99 537
Unliquidated obligations - prior periods	1 719	1 000
Accounts payable to Member States	23 842	732
Other accounts payable	3 628	6 260
Inter-fund balances payable	3 392	3 521
Total liabilities	**108 490**	**111 102**
Reserves and fund balances		
Cumulative surplus	52 377	57 385
Total reserves and fund balances	**52 377**	**57 385**
Total liabilities and reserves and fund balances	**160 867**	**168 487**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/17 B of 30 June 2006, the total assessment on Member States was reduced by $57,385,300, comprising unencumbered balance and other income for the period ended 30 June 2005.

d/ Represents share of the cash pool and comprises cash and term deposits of $17,892,560, short-term investments of $61,855,407 (market value $61,855,407), long-term investments of $33,089,630 (market value $32,657,857) and accrued interest receivable of $798,783.

The accompanying notes are an integral part of the financial statements.

Schedule 15.1

United Nations Operation in Côte d'Ivoire (UNOCI)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			Expenditure			
	Original distribution (1)	*Redeployment* (2)	*Revised Distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
ilitary and police personnel	195 613	(2 520)	193 093	155 464	30 220	185 684	7 409
ivilian personnel	67 590	2 263	69 853	65 397	1 587	66 984	2 869
perational requirements	155 574	257	155 831	86 307	43 293	129 600	26 231
Subtotal	**418 777**	**-**	**418 777**	**307 168**	**75 100**	**382 268**	**36 509**
rorated costs							
UNLB	3 535	-	3 535	3 535		3 535	-
Support account for peacekeeping operations	15 857	-	15 857	15 857	-	15 857	-
Subtotal	**19 392**	**-**	**19 392**	**19 392**	**-**	**19 392**	**-**
Total	**438 169**	**-**	**438 169**	**326 560**	**75 100**	**401 660**	**36 509**

Statement XVI

United Nations Stabilization Mission in Haiti (MINUSTAH) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	541 302	379 047
Interest income	5 182	1 624
Other/miscellaneous income	107	
Total income	**546 591**	**380 671**
Total expenditure (schedule 16.1)	**504 450**	**377 235**
Net excess (shortfall) of income over expenditure	**42 141**	**3 436**
Savings on or cancellation of prior-period obligations	9 218	3 211
Credits returned to Member States c/	(6 647)	(14 704)
Reserves and fund balances, beginning of period	6 649	14 706
Reserves and fund balances, end of period	**51 361**	**6 649**

Statement XVI (concluded)

United Nations Stabilization Mission in Haiti (MINUSTAH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	5 317	2 153
Cash pool d/	128 163	55 624
Assessed contributions receivable from Member States b/	49 912	76 527
Accounts receivable from Member States	-	16
Other accounts receivable	1 149	1 531
Deferred charges e/	467	2 210
Inter-office transactions pending processing	6	-
Total assets	**185 014**	**138 061**
Liabilities		
Unliquidated obligations - current period	97 722	109 110
Unliquidated obligations - prior periods	16 067	4 626
Accounts payable to Member States	6 033	4 883
Other accounts payable	7 313	10 454
Inter-fund balances payable	6 499	2 169
Deferred credits	19	169
Inter-office transactions pending processing	-	1
Total liabilities	**133 653**	**131 412**
Reserves and fund balances		
Cumulative surplus	51 361	6 649
Total reserves and fund balances	**51 361**	**6 649**
Total liabilities and reserves and fund balances	**185 014**	**138 061**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/18 B of 30 June 2006, the total assessment on Member States was reduced by $6,646,600, comprising unencumbered balance for the period ended 30 June 2005.

d/ Represents share of the cash pool and comprises cash and term deposits of $20,179,839, short-term investments of $69,762,634 (market value $69,762,634), long-term investments of $37,319,611 (market value $36,832,643) and accrued interest receivable of $900,894.

e/ Includes $261,800 for shipment of strategic deployment stocks during the period ending 30 June 2006, which will be charged to expenditure in the subsequent financial period

The accompanying notes are an integral part of the financial statements.

Schedule 16.1

United Nations Stabilization Mission in Haiti (MINUSTAH)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balanc* (3 - 6
Military and police personnel	274 798	(7 994)	266 804	201 630	38 044	239 674	27 13
Civilian personnel	89 039	1 949	90 988	87 181	1 651	88 832	2 15
Operational requirements	152 652	6 045	158 697	93 104	58 027	151 131	7 56
Subtotal	**516 489**	**-**	**516 489**	**381 915**	**97 722**	**479 637**	**36 85**
Prorated costs							
UNLB	4 523	-	4 523	4 523	-	4 523	-
Support account for peacekeeping operations	20 290	-	20 290	20 290	-	20 290	-
Subtotal	**24 813**	**-**	**24 813**	**24 813**	**-**	**24 813**	**-**
Total	**541 302**	**-**	**541 302**	**406 728**	**97 722**	**504 450**	**36 85**

Statement XVII

United Nations Operation in Burundi (ONUB) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	307 693	329 714
Interest income	3 275	1 152
Other/miscellaneous income	320	37
Total income	311 288	330 903
Total expenditure (schedule 17.1)	254 372	303 794
Excess (shortfall) of income over expenditure	56 916	27 109
Prior-period adjustments	(2)	-
Net excess (shortfall) of income over expenditure	56 914	27 109
Savings on or cancellation of prior-period obligations	12 101	4 414
Credits returned to Member States	-	(9 470)
Reserves and fund balances, beginning of period	31 638	9 585
Reserves and fund balances, end of period	100 653	31 638

Statement XVII (concluded)

United Nations Operation in Burundi (ONUB)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits c/	3 158	1 912
Cash pool d/	117 237	53 621
Assessed contributions receivable from Member States b/	31 128	90 253
Accounts receivable from Member States	26	36
Other accounts receivable	2 177	3 889
Deferred charges e/	158	984
Inter-office transactions pending processing	17	4
Total assets	**153 901**	**150 699**
Liabilities		
Contributions or payments received in advance	74	-
Unliquidated obligations - current period	35 098	105 637
Unliquidated obligations - prior period	14 647	4 422
Accounts payable to Member States	159	400
Other accounts payable e/ f/	1 925	6 549
Deferred credit	4	-
Inter-fund balances payable	1 341	2 053
Total liabilities	**53 248**	**119 061**
Reserves and fund balances		
Cumulative surplus	100 653	31 638
Total reserves and fund balances	**100 653**	**31 638**
Total liabilities and reserves and fund balances	**153 901**	**150 699**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Includes non-convertible Burundi francs equivalent to $25,107.

d/ Represents share of the cash pool and comprises cash and term deposits of $18,459,514, short-term investments of $63,815,393 (market value $63,815,393), long-term investments of $34,138,127 (market value $33,692,673) and accrued interest receivable of $824,094.

e/ Includes $29,000 for strategic deployment stocks received but not yet replenished, which will be charged to expenditure in the subsequent financial period.

f/ Includes $263,730, representing accounts payable pending settlement which have been transferred from unliquidated obligation to accounts payable.

The accompanying notes are an integral part of the financial statements.

Schedule 17.1

United Nations Operation in Burundi (ONUB)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	142 959	1 601	144 560	104 622	15 905	120 527	24 033
Civilian personnel	70 901	228	71 129	57 829	1 812	59 641	11 488
Operational requirements	78 412	(1 829)	76 583	41 402	17 381	58 783	17 800
Subtotal	**292 272**	**-**	**292 272**	**203 853**	**35 098**	**238 951**	**53 321**
Prorated costs							
UNLB	2 811	-	2 811	2 811	-	2 811	-
Support account for peacekeeping operations	12 610	-	12 610	12 610	-	12 610	-
Subtotal	**15 421**	**-**	**15 421**	**15 421**	**-**	**15 421**	**-**
Total	**307 693**	**-**	**307 693**	**219 274**	**35 098**	**254 372**	**53 321**

Statement XVIII

United Nations Mission in the Sudan (UNMIS) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Assessed contributions b/	911 999	279 501
Funding from reserves and fund balances c/	57 470	-
Interest income	8 056	(362)
Other/miscellaneous income	2 963	-
Total income	**980 488**	**279 139**
Total expenditure (schedule 18.1)	**801 124**	**218 866**
Net excess (shortfall) of income over expenditure	**179 364**	**60 273**
Savings on or cancellation of prior-period obligations	15 794	-
Transfers from reserves and fund balances c/	(57 470)	-
Credits returned to Member States d/	(2 804)	-
Reserves and fund balances, beginning of period	60 273	-
Reserves and fund balances, end of period	**195 157**	**60 273**

Statement XVIII (concluded)

United Nations Mission in the Sudan (UNMIS)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	2 175	1 257
Cash pool e/	354 211	141 614
Assessed contributions receivable from Member States b/	147 722	161 858
Accounts receivable from Member States	8	-
Other accounts receivable	3 704	2 317
Deferred charges f/	1 187	1 063
Inter-office transactions pending processing	37	21
Total assets	**509 044**	**308 130**
Liabilities		
Contributions or payments received in advance	71	82 665
Unliquidated obligations - current period	262 785	95 941
Unliquidated obligations - prior periods	1 066	-
Accounts payable to Member States	1 752	-
Other accounts payable	26 829	17 183
Inter-fund balances payable	21 372	52 068
Deferred credits	9	-
Inter-office transactions pending processing	3	-
Total liabilities	**313 887**	**247 857**
Reserves and fund balances		
Cumulative surplus	195 157	60 273
Total reserves and fund balances	**195 157**	**60 273**
Total liabilities and reserves and fund balances	**509 044**	**308 130**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Under the terms of General Assembly resolution 60/122 A of 8 December 2005, a reduction of $57,469,600 in the apportionment for the period ended 30 June 2005 is applied to meet the resources required for the period ended 30 June 2006.

d/ Under the terms of General Assembly resolution 60/122 B of 30 June 2006, the total assessment on Member States were reduced by $2,804,000, comprising unencumbered balance and other income for the period ended 30 June 2005.

e/ Represents share of the cash pool and comprises cash and term deposits of $55,772,081, short-term investments of $192,806,660 (market value $192,806,660), long-term investments of $103,142,171 (market value $101,796,312) and accrued interest receivable of $2,489,851.

f/ Includes $576,000 for shipment of strategic deployment stocks during the period ending 30 June 2006 which will be charged to expenditures in the subsequent financial period.

The accompanying notes are an integral part of the financial statements.

Schedule 18.1

United Nations Mission in the Sudan (UNMIS)

Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Military and police personnel	244 484	20 551	265 035	166 245	65 420	231 665	33 370
Civilian personnel	91 663	4 000	95 663	89 558	1 529	91 087	4 576
Operational requirements	633 322	(24 551)	608 771	282 536	195 836	478 372	130 399
Total a/	**969 469**	**-**	**969 469**	**538 339**	**262 785**	**801 124**	**168 345**

a/ In addition, voluntary contributions in kind were received from Japan for transportation and other equipment in the amount of $642,284, for which no budgetary provisions had been made.

Statement XIX

Peacekeeping Reserve Fund a/

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Interest income	5 084	2 016
Total income	**5 084**	**2 016**
Total expenditure	**1**	**2**
Net excess (shortfall) of income over expenditure	**5 083**	**2 014**
Transfer to other funds b/	(13 790)	-
Reserves and fund balances, beginning of period	165 804	163 790
Reserves and fund balances, end of period	**157 097**	**165 804**

Statement XIX (concluded)

Peacekeeping Reserve Fund

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	33	51
Cash pool c/	144 219	152 909
Assessed contributions receivable from Member States d/	25	25
Due from MINURCA	12 820	12 820
Total assets	**157 097**	**165 805**
Liabilities		
Inter-fund balances payable	-	1
Total liabilities	**-**	**1**
Reserves and fund balances		
Working capital funds	150 000	150 000
Cumulative surplus e/	7 097	15 804
Total reserves and fund balances	**157 097**	**165 804**
Total liabilities and reserves and fund balances	**157 097**	**165 805**

a/ See notes 2 and 3.

b/ Under the terms of General Assembly resolution 59/297 of 22 June 2005, the excess balance of $13,790,000 for the period ending 30 June 2004 was applied to meet the requirements of the support account for peacekeeping operations for the period from 1 July 2005 to 30 June 2006.

c/ Represents share of the cash pool and comprises cash and term deposits of $22,707,971, short-term investments of $78,502,504 (market value $78,502,504), long-term investments of $41,995,016 (market value $41,447,040) and accrued interest receivable of $1,013,759.

d/ Contributions assessed on Member States that joined the United Nations subsequent to the adoption of General Assembly resolution 47/217 of 23 December 1992 establishing the Peacekeeping Reserve Fund.

e/ Under the terms of General Assembly resolution 60/268 of 30 June 2006, the amount in excess of the authorized level of the fund will be applied to meet the requirements of the support account for peacekeeping operations for the financial period from 1 July 2006 to 30 June 2007. This will be further considered during the sixty-first session of the General Assembly.

The accompanying notes are an integral part of the financial statements.

Statement XX

Support account for peacekeeping operations a/

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Period	
	1 July 2005-30 June 2006	*1 July 2004-30 June 2005*
Income		
Funding from other funds b/	13 790	-
Allocation from other funds c/	130 397	113 132
Funding from reserves and fund balances d/	2 748	8 479
Interest income	1 931	583
Other/miscellaneous income	101	55
Total income	**148 967**	**122 249**
Total expenditure (schedule 20.1)	**135 988**	**118 026**
Net excess (shortfall) of income over expenditure	**12 979**	**4 223**
Savings on or cancellation of prior-period obligations	1 398	1 484
Transfers from reserves and fund balances d/	(2 748)	(8 479)
Reserves and fund balances, beginning of period	10 593	13 365
Reserves and fund balances, end of period	**22 222**	**10 593**

Statement XX (concluded)

Support account for peacekeeping operations
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	34	5
Cash pool e/	34 179	27 435
Accounts receivable from Member States	1	-
Other accounts receivable	623	638
Deferred charges	998	1 185
Total assets	**35 835**	**29 263**
Liabilities		
Unliquidated obligations - current period	5 262	4 204
Other accounts payable	2 200	2 084
Inter-fund balances payable	6 151	12 381
Deferred credit	-	1
Total liabilities	**13 613**	**18 670**
Reserves and fund balances		
Cumulative surplus	22 222	10 593
Total reserves and fund balances	**22 222**	**10 593**
Total liabilities and reserves and fund balances	**35 835**	**29 263**

a/ See notes 2 and 3.

b/ Under the terms of General Assembly resolution 59/301 of 22 June 2005, an amount of $13,790,000 in excess of the authorized level of the Peacekeeping Reserve Fund in respect of the period ended 30 June 2004 is applied to the resources required for the period from 1 July 2005 to 30 June 2006.

c/ Under the terms of General Assembly resolution 59/301 of 22 June 2005, an amount of $130,397,400 is prorated among the budgets of the active peacekeeping operations in order to partially meet the resources required for the period from 1 July 2005 to 30 June 2006.

d/ Under the terms of General Assembly resolution 59/301, an amount of $2,747,800 in respect of the unencumbered balance and other income for the period ended 30 June 2004 is applied to meet the resources required for the period from 1 July 2005 to 30 June 2006.

e/ Represents share of the cash pool and comprises cash and term deposits of $5,381,699 short-term investments of $18,604,781 (market value $18,604,781), long-term investments of $9,952,651 (market value $9,822,784) and accrued interest receivable of $240,257.

The accompanying notes are an integral part of the financial statements.

Schedule 20.1

Support account for peacekeeping operations
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation			Expenditure			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Civilian personnel	113 384	(654)	112 730	106 480	1 266	107 746	4 984
Operational requirements	33 551	654	34 205	24 246	3 996	28 242	5 963
Total	**146 935**	**-**	**146 935**	**130 726**	**5 262**	**135 988**	**10 947**

United Nations Logistics Base at Brindisi, Italy (UNLB) a/

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Strategic deployment stocks activities	Other UNLB activities	2006 total	2005 total
Income				
Allocation from other funds b/	-	29 072	29 072	25 248
Funding from reserves and fund balances	39 062	2 441 c/	41 503	3 174
Interest income	-	1 419	1 419	346
Other/miscellaneous income	30 899 d/	215	31 114	106 973
Total income	**69 961**	**33 147**	**103 108**	**135 741**
Total expenditure (schedule 21.1)	**47 831**	**27 527**	**75 358**	**117 586**
Excess (shortfall) of income over expenditure	**22 130**	**5 620**	**27 750**	**18 155**
Prior period adjustments	(3 284) e/	-	(3 284)	(5 048)
Net excess (shortfall) of income over expenditure	**18 846**	**5 620**	**24 466**	**13 107**
Savings on or cancellation of prior-period obligations	1 661	745	2 406	3 671
Transfers from reserves and fund balances	(39 062)	(2 441) c/	(41 503)	(3 174)
Reserves and fund balances, beginning of period	40 466 f/	4 989	45 455	31 851
Reserves and fund balances, end of period	**21 911**	**8 913**	**30 824**	**45 455**

Statement XXI (concluded)

United Nations Logistics Base at Brindisi, Italy (UNLB)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	979	1 107
Cash pool g/	29 074	4 572
Assessed contributions receivable from Member States h/	13 582	13 582
Other accounts receivable i/	1 878	3 977
Inter-fund balances receivable	27 438	50 031
Deferred charges	31	63
Inter-office transactions pending processing	9	-
Total assets	**72 991**	**73 332**
Liabilities		
Unliquidated obligations	36 857	25 980
Other accounts payable	5 310	1 897
Total liabilities	**42 167**	**27 877**
Reserves and fund balances		
Cumulative surplus - strategic deployment stocks activities	21 911	40 466
Cumulative surplus - other UNLB activities	8 913	4 989
Total reserves and fund balances	**30 824**	**45 455**
Total liabilities and reserves and fund balances	**72 991**	**73 332**

a/ See notes 2 and 3.

b/ In accordance with General Assembly resolution 59/299 of 22 June 2005, part of the cost estimates amounting to $29,072,100 are allocated on a prorated basis among the individual active peacekeeping missions.

c/ Under the terms of General Assembly resolution 59/299, an amount of $2,441,000 in respect of the unencumbered balance and other income for the period ended 30 June 2004 is applied to meet the resources required for the period from 1 July 2005 to 30 June 2006.

d/ Represents shipments of strategic deployment stocks at replacement values to peacekeeping and political missions, thereby generating funds for replenishment.

e/ Represents adjustments to amounts billed to peacekeeping missions during the period ended 30 June 2005.

f/ See note 10.

g/ Represents share of the cash pool and comprises cash and term deposits of $4,577,854, short-term investments of $15,825,851 (market value $15,825,851), long-term investments of $8,466,059 (market value $8,355,589) and accrued interest receivable of $204,370.

h/ Includes unpaid assessed contributions irrespective of collectability.

i/ Includes $913,589 resulting from shipments of strategic deployment stocks, which will be settled in a subsequent period.

The accompanying notes are an integral part of the financial statements.

Schedule 21.1

United Nations Logistics Base at Brindisi, Italy (UNLB)
Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006
(Thousands of United States dollars)

	Appropriation a/			*Expenditure*			
	Original distribution (1)	*Redeployment* (2)	*Revised distribution* (3)	*Disbursements* (4)	*Unliquidated obligations* (5)	*Total expenditure* (6)	*Balance* (3 - 6)
Strategic deployment stocks activities							
Replenishment of strategic deployment stocks arising from transfers to peacekeeping and political missions	66 404	-	66 404	18 446	29 385	47 831	18 573
Subtotal	**66 404**	**-**	**66 404**	**18 446**	**29 385**	**47 831**	**18 573**
Other UNLB activities							
Civilian personnel	14 697	(808)	13 889	11 841	89	11 930	1 959
Operational requirements	16 816	808	17 624	8 214	7 383	15 597	2 027
Subtotal	**31 513**	**-**	**31 513**	**20 055**	**7 472**	**27 527**	**3 986**
Total	**97 917**	**-**	**97 917**	**38 501**	**36 857**	**75 358**	**22 559**

a/ Appropriations do not apply to strategic deployment stock activities. Instead strategic deployment stocks are replenished as a result of transfers to peacekeeping and political missions.

Statement XXII

United Nations Iraq-Kuwait Observation Mission (UNIKOM) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 9 April 1991 to 31 October 2003 as at 30 June 2006

(Thousands of United States dollars)

	Period		
	9 April 1991 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	373 899	-	-
Voluntary contributions	339 827	-	-
Interest income	23 012	1 480	778
Other/miscellaneous income	7 067	3	125
Total income	**743 805**	**1 483**	**903**
Total expenditure	**647 152**	**-**	**-**
Excess (shortfall) of income over expenditure	**96 653**	**1 483**	**903**
Prior-period adjustments c/	(561)	(53)	(42)
Net excess (shortfall) of income over expenditure	**96 092**	**1 430**	**861**
Savings on or cancellation of prior-period obligations	23 369	143	908
Credits returned to Member States d/	(72 932)	(41 767)	-
Reserves and fund balances, beginning of period	-	46 529	44 760
Reserves and fund balances, end of period	**46 529**	**6 335**	**46 529**

Statement XXII (concluded)

United Nations Iraq-Kuwait Observation Mission (UNIKOM)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	30	1 219
Cash pool a/	44 363	42 121
Assessed contributions receivable from Member States b/	782	4 724
Accounts receivable from Member States	1	1
Other accounts receivable	-	8
Inter-fund balances receivable	-	29
Total assets	**45 176**	**48 102**
Liabilities		
Contributions or payments received in advance	-	10
Unliquidated obligations - prior periods	-	143
Accounts payable to Member States	38 622	1 219
Other accounts payable	198	200
Inter-fund balances payable	21	-
Inter-office transactions pending processing	-	1
Total liabilities	**38 841**	**1 573**
Reserves and fund balances		
Cumulative surplus	6 335	46 529
Total reserves and fund balances	**6 335**	**46 529**
Total liabilities and reserves and fund balances	**45 176**	**48 102**

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a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents civilian personnel costs of $44,827, write-offs of $7,377 and bank charges of $1,237.

d/ Under the terms of General Assembly resolution 60/274 of 30 June 2006, the cash balance available as at 30 June 2005 in the amount of $41,767,000 was returned to Member States. Of the total, $13,922,300 were returned to all Member States in respect of their assessments and $27,844,700 were returned to Kuwait in respect of its voluntary contributions.

e/ Represents net share of the cash pool and comprises cash and term deposits of $6,985,137, short-term investments of $24,147,942 (market value $24,147,942), long-term investments of $12,917,973 (market value $12,749,412) and accrued interest receivable of $311,840.

The accompanying notes are an integral part of the financial statements.

Statement XXIII

United Nations Mission in Bosnia and Herzegovina (UNMIBH) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 30 June 2003 as at 30 June 2006
(Thousands of United States dollars)

		Period	
	1 January 1996 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	1 127 149	-	-
Voluntary contributions	158	-	-
Interest income	17 528	662	376
Other/miscellaneous income	19 924	197	40
Total income	**1 164 759**	**859**	**416**
Total expenditure	**986 685**	**-**	**-**
Excess (shortfall) of income over expenditure	**178 074**	**859**	**416**
Prior-period adjustments	(916)	(12)	(193)
Net excess (shortfall) of income over expenditure	**177 158**	**847**	**223**
Savings on or cancellation of prior-period obligations	26 007	9	1 208
Credits returned to Member States	(156 864)	-	-
Reserves and fund balances, beginning of period	-	46 301	44 870
Reserves and fund balances, end of period	**46 301**	**47 157**	**46 301**

Statement XXIII (concluded)

United Nations Mission in Bosnia and Herzegovina (UNMIBH)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	51	72
Cash pool c/	18 856	19 397
Assessed contributions receivable from Member States b/	35 488	35 839
Accounts receivable from Member States	11	11
Other accounts receivable	-	4
Inter-office transactions pending processing	-	6
Total assets	**54 406**	**55 329**
Liabilities		
Contributions or payments received in advance	64	380
Unliquidated obligations - prior periods	116	126
Accounts payable to Member States	6 513	8 116
Other accounts payable	332	392
Inter-fund balances payable	224	12
Deferred credits	-	1
Inter-office transactions pending processing	-	1
Total liabilities	**7 249**	**9 028**
Reserves and fund balances		
Authorised retained surplus d/	7 182	7 182
Cumulative surplus	39 975	39 119
Total reserves and fund balances	**47 157**	**46 301**
Total liabilities and reserves and fund balances	**54 406**	**55 329**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $2,968,974, short-term investments of $10,263,881 (market value $10,263,881), long-term investments of $5,490,677 (market value $5,419,031) and accrued interest receivable of $132,545.

d/ See note 8.

The accompanying notes are an integral part of the financial statements.

Statement XXIV

United Nations Mission of Observers in Tajikistan (UNMOT) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 16 December 1994 to 15 May 2000 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	16 December 1994 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	72 145	-	-
Voluntary contributions	2 057	-	-
Interest income	3 673	167	93
Other/miscellaneous income	791	5	-
Total income	**78 666**	**172**	**93**
Total expenditure	**59 414**	-	-
Excess (shortfall) of income over expenditure	**19 252**	**172**	**93**
Prior-period adjustments	(995)	(1)	(1)
Net excess (shortfall) of income over expenditure	**18 257**	**171**	**92**
Savings on or cancellation of prior-period obligations	4 601	-	123
Credits returned to Member States	(20 556)	-	-
Reserves and fund balances, beginning of period	-	2 302	2 087
Reserves and fund balances, end of period	**2 302**	**2 473**	**2 302**

Statement XXIV (concluded)

United Nations Mission of Observers in Tajikistan (UNMOT)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	12	18
Cash pool c/	4 897	4 731
Assessed contributions receivable from Member States b/	22	23
Inter-fund balances receivable	-	2
Total assets	**4 931**	**4 774**
Liabilities		
Contributions or payments received in advance	-	5
Accounts payable to Member States	2 415	2 467
Inter-fund balances payable	43	-
Total liabilities	**2 458**	**2 472**
Reserves and fund balances		
Cumulative surplus	2 473	2 302
Total reserves and fund balances	**2 473**	**2 302**
Total liabilities and reserves and fund balances	**4 931**	**4 774**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $771,126, short-term investments of $2,665,820 (market value $2,665,820), long-term investments of $1,426,084 (market value $1,407,475) and accrued interest receivable of $34,425.

The accompanying notes are an integral part of the financial statements.

Statement XXV

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH) a/

Statement of income and expenditure and changes in reserves and fund balances
for the period from 1 July 1996 to 15 March 2000 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	1 July 1996 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	133 035	-	-
Voluntary contributions	4 766	-	-
Interest income	3 554	70	34
Other/miscellaneous income	3 914	-	1
Total income	**145 269**	**70**	**35**
Total expenditure	**123 566**	**-**	**-**
Excess (shortfall) of income over expenditure	**21 703**	**70**	**35**
Prior-period adjustments	(265)	(3)	(1)
Net excess (shortfall) of income over expenditure	**21 438**	**67**	**34**
Savings on or cancellation of prior-period obligations	4 630		209
Credits returned to Member States	(14 127)	-	-
Reserves and fund balances, beginning of period	-	11 941	11 698
Reserves and fund balances, end of period	**11 941**	**12 008**	**11 941**

Statement XXV (concluded)

United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	14	81
Cash pool c/	1 987	1 938
Assessed contributions receivable from Member States b/	19 449	19 457
Accounts receivable from Member States	50	50
Inter-fund balances receivable	-	33
Total assets	**21 500**	**21 559**
Liabilities		
Contributions or payments received in advance	-	1
Accounts payable to Member States	114	242
Other accounts payable	-	9
Inter-fund balances payable	12	-
Due to UNMIH	9 366	9 366
Total liabilities	**9 492**	**9 618**
Reserves and fund balances		
Authorised retained surplus d/	11 186	11 186
Cumulative surplus	822	755
Total reserves and fund balances	**12 008**	**11 941**
Total liabilities and reserves and fund balances	**21 500**	**21 559**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $312,810, short-term investments of $1,081,401 (market value $1,081,401), long-term investments of $578,497 (market value $570,948) and accrued interest receivable of $13,965.

d/ See note 8.

The accompanying notes are an integral part of the financial statements.

Statement XXVI

United Nations Mission in the Central African Republic (MINURCA) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 15 April 1998 to 15 February 2000 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	15 April 1998 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	123 075	-	-
Voluntary contributions	4 527	-	-
Interest income	969	3	1
Other/miscellaneous income	765	-	1
Total income	**129 336**	**3**	**2**
Total expenditure	**121 423**	**-**	**-**
Excess (shortfall) of income over expenditure	**7 913**	**3**	**2**
Prior-period adjustments	(116)	(26)	(9)
Net excess (shortfall) of income over expenditure	**7 797**	**(23)**	**(7)**
Savings on or cancellation of prior-period obligations	10 237	-	455
Credits returned to Member States	(6 284)	-	-
Reserves and fund balances, beginning of period	-	11 750	11 302
Reserves and fund balances, end of period	**11 750**	**11 727**	**11 750**

Statement XXVI (concluded)

United Nations Mission in the Central African Republic (MINURCA)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	20	40
Cash pool c/	30	102
Assessed contributions receivable from Member States b/	35 580	35 603
Total assets	**35 630**	**35 745**
Liabilities		
Contributions or payments received in advance	-	35
Accounts payable to Member States	7 481	7 489
Inter-fund balances payable	152	201
Due to Peacekeeping Reserve Fund	12 820	12 820
Due to UNMIH	3 200	3 200
Due to UNPF	250	250
Total liabilities	**23 903**	**23 995**
Reserves and fund balances		
Authorized retained surplus d/	6 236	6 236
Cumulative surplus	5 491	5 514
Total reserves and fund balances	**11 727**	**11 750**
Total liabilities and reserves and fund balances	**35 630**	**35 745**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $4,720, short-term investments of $16,318 (market value $16,318), long-term investments of $8,730 (market value $8,616) and accrued interest receivable of $211.

d/ See note 8.

The accompanying notes are an integral part of the financial statements.

Statement XXVII

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM) a/

Statement of income and expenditure and changes in reserves and fund balances for the period from 3 January 1989 to 26 February 1999 as at 30 June 2006

(Thousands of United States dollars)

		Period	
	3 January 1989 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	1 267 792	-	-
Funding from reserves and fund balances	12 458	-	-
Interest income	37 470	1 097	566
Other/miscellaneous income	30 716	689	227
Total income	**1 348 436**	**1 786**	**793**
Total expenditure c/	**1 203 359**	**11**	**-**
Excess (shortfall) of income over expenditure	**145 077**	**1 775**	**793**
Prior-period adjustments d/	(22 071)	(2 133)	(168)
Net excess (shortfall) of income over expenditure	**123 006**	**(358)**	**625**
Savings on or cancellation of prior-period obligations	51 534	-	25
Credits returned to Member States	(95 681)	-	-
Transfer from reserves and fund balances	(12 458)	-	-
Reserves and fund balances, beginning of period	-	66 401	65 751
Reserves and fund balances, end of period	**66 401**	**66 043**	**66 401**

Statement XXVII (concluded)

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	2	85
Cash pool e/	32 232	30 775
Assessed contributions receivable from Member States b/	35 844	35 873
Accounts receivable from Member States	8 120	8 120
Other accounts receivable	481	540
Inter-fund balances receivable	-	278
Total assets	**76 679**	**75 671**
Liabilities		
Contributions or payments received in advance	-	7
Unliquidated obligations - current period	5	-
Accounts payable to Member States	8 320	8 568
Other accounts payable	7	624
Inter-fund balances payable	2 287	-
Deferred credits	-	71
Inter-office transactions pending processing	17	-
Total liabilities	**10 636**	**9 270**
Reserves and fund balances		
Cumulative surplus	66 043	66 401
Total reserves and fund balances	**66 043**	**66 401**
Total liabilities and reserves and fund balances	**76 679**	**75 671**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Expenditures related to follow-up costs arising in the current period from United Nations aircraft crashes in Angola in 1998 and 1999.

d/ Represents prior-period expenditures related to United Nations Volunteers of $2,119,840, write-offs of $11,991 and miscellaneous charges of $1,288.

e/ Represents share of the cash pool and comprises cash and term deposits of $5,075,006, short-term investments of $17,544,529 (market value $17,544,529), long-term investments of $9,385,469 (market value $9,263,001) and accrued interest receivable of $226,565.

The accompanying notes are an integral part of the financial statements.

Schedule 27.1

United Nations Observer Mission in Angola (MONUA) and United Nations Angola Verification Mission (UNAVEM)

Expenditure for the period from 1 July 2005 to 30 June 2006 as at 30 June 2006

(Thousands of United States dollars)

	Appropriation			Expenditure			
	Original distribution (1)	Redeployment (2)	Revised distribution (3)	Disbursements (4)	Unliquidated obligations (5)	Total expenditure (6)	Balance (3 - 6)
Operational requirements	2 674	-	2 674	6	5	11	2 663
Total	**2 674**	**-**	**2 674**	**6**	**5**	**11**	**2 663**

Statement XXVIII

United Nations Preventive Deployment Force (UNPREDEP) a/

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 January 1996 to 15 October 1999 as at 30 June 2006

(Thousands of United States dollars)

	Period		
	1 January 1996 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	166 563	-	-
Voluntary contributions	2	-	-
Funding from reserves and fund balances	904	-	-
Interest income	19 237	561	285
Other/miscellaneous income	3 984	-	-
Total income	**190 690**	**561**	**285**
Total expenditure	**152 276**	**-**	**-**
Excess (shortfall) of income over expenditure	**38 414**	**561**	**285**
Prior-period adjustments	(233)	(1)	(33)
Net excess (shortfall) of income over expenditure	**38 181**	**560**	**252**
Savings on or cancellation of prior-period obligations	10 788	-	716
Credits returned to Member States	(38 489)	-	-
Transfer from reserves and fund balances	(904)	-	-
Reserves and fund balances, beginning of period	-	9 576	8 608
Reserves and fund balances, end of period	**9 576**	**10 136**	**9 576**

Statement XXVIII (concluded)

United Nations Preventive Deployment Force (UNPREDEP)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	23	49
Cash pool c/	16 430	15 858
Assessed contributions receivable from Member States b/	1 306	1 310
Inter-fund balances receivable	-	18
Total assets	**17 759**	**17 235**
Liabilities		
Contributions or payments received in advance	-	17
Accounts payable to Member States	7 530	7 642
Inter-fund balances payable	93	-
Total liabilities	**7 623**	**7 659**
Reserves and fund balances		
Cumulative surplus	10 136	9 576
Total reserves and fund balances	**10 136**	**9 576**
Total liabilities and reserves and fund balances	**17 759**	**17 235**

a/ See notes 2 and 3.
b/ Includes unpaid assessed contributions irrespective of collectability.
c/ Represents share of the cash pool and comprises cash and term deposits of $2,586,955, short-term investments of $8,943,222 (market value $8,943,222), long-term investments of $4,784,188 (market value $4,721,761) and accrued interest receivable of $115,490.

The accompanying notes are an integral part of the financial statements.

Statement XXIX

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group a/

Statement of income and expenditure and changes in reserves and fund balances for the period from 15 January 1996 to 30 November 1998 as at 30 June 2006

(Thousands of United States dollars)

	Period		
	15 January 1996 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	517 546	-	-
Voluntary contributions	298	-	-
Interest income	29 581	790	409
Other/miscellaneous income	4 158	-	-
Total income	**551 583**	**790**	**409**
Total expenditure	**461 345**	-	-
Excess (shortfall) of income over expenditure	**90 238**	**790**	**409**
Prior-period adjustments c/	(1 417)	(2 158)	(2)
Net excess (shortfall) of income over expenditure	**88 821**	**(1 368)**	**407**
Savings on or cancellation of prior-period obligations	32 771	-	-
Credits returned to Member States	(99 234)	-	-
Reserves and fund balances, beginning of period	-	22 358	21 951
Reserves and fund balances, end of period	**22 358**	**20 990**	**22 358**

Statement XXIX (concluded)

United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	4	50
Cash pool d/	23 213	22 220
Assessed contributions receivable from Member States b/	8 972	9 049
Inter-fund balances receivable	-	154
Total assets	**32 189**	**31 473**
Liabilities		
Contributions or payments received in advance	-	21
Accounts payable to Member States	8 854	9 094
Inter-fund balances payable	2 345	-
Total liabilities	**11 199**	**9 115**
Reserves and fund balances		
Cumulative surplus	20 990	22 358
Total reserves and fund balances	**20 990**	**22 358**
Total liabilities and reserves and fund balances	**32 189**	**31 473**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents prior period expenditure related to United Nations Volunteers of $2,157,690 and bank charges of $902.

d/ Represents share of the cash pool and comprises cash and term deposits of $3,654,988 short-term investments of $12,635,462 (market value $12,635,462), long-term investments of $6,759,357 (market value $6,671,157) and accrued interest receivable of $163,171.

The accompanying notes are an integral part of the financial statements.

Statement XXX

United Nations Observer Mission in Liberia (UNOMIL) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 22 September 1993 to 30 June 1998 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	22 September 1993 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	141 984	-	-
Interest income	4 772	268	102
Other/miscellaneous income	1 237	-	-
Total income	**147 993**	**268**	**102**
Total expenditure	**97 401**	**-**	**-**
Excess (shortfall) of income over expenditure	**50 592**	**268**	**102**
Prior-period adjustments c/	(175)	(538)	(1)
Net excess (shortfall) of income over expenditure	**50 417**	**(270)**	**101**
Savings on or cancellation of prior-period obligations	5 302	-	-
Credits returned to Member States	(51 329)	-	-
Reserves and fund balances, beginning of period	-	4 390	4 289
Reserves and fund balances, end of period	**4 390**	**4 120**	**4 390**

Statement XXX (concluded)

United Nations Observer Mission in Liberia (UNOMIL)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	38	61
Cash pool d/	7 821	7 523
Assessed contributions receivable from Member States b/	69	72
Inter-fund balances receivable	-	24
Total assets	**7 928**	**7 680**
Liabilities		
Contributions or payments received in advance	2	1
Accounts payable to Member States	3 218	3 289
Inter-fund balances payable	588	-
Total liabilities	**3 808**	**3 290**
Reserves and fund balances		
Cumulative surplus	4 120	4 390
Total reserves and fund balances	**4 120**	**4 390**
Total liabilities and reserves and fund balances	**7 928**	**7 680**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents prior-period expenditures related to United Nations Volunteers of $537,350 and bank charges of $766.

d/ Represents share of the cash pool and comprises cash and term deposits of $1,231,549, short-term investments of $4,257,523 (market value $4,257,523), long-term investments of $2,277,567 (market value $2,247,848) and accrued interest receivable of $54,980.

The accompanying notes are an integral part of the financial statements.

Statement XXXI

United Nations Peace Forces (UNPF) a/

Statement of income and expenditure and changes in reserves and fund balances for the period from 12 January 1992 to 30 June 1997 as at 30 June 2006

(Thousands of United States dollars)

	Period		
	12 January 1992 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	5 082 587	-	-
Voluntary contributions	37 360	-	-
Funding from reserves and fund balances	181 093	-	-
Interest income	62 300	2 722	1 076
Other/miscellaneous income	91 143	594	-
Total income	**5 454 483**	**3 316**	**1 076**
Total expenditure	**4 867 418**	**-**	**-**
Excess (shortfall) of income over expenditure	**587 065**	**3 316**	**1 076**
Prior-period adjustments c/	(827)	(263)	(80)
Net excess (shortfall) of income over expenditure	**586 238**	**3 053**	**996**
Savings on or cancellation of prior-period obligations	275 263	-	5 101
Credits returned to Member States	(325 452)	-	-
Transfer from reserves and fund balances	(181 093)	-	-
Transfer to other funds	(118 003)	-	-
Reserves and fund balances, beginning of period	-	236 953	230 856
Reserves and fund balances, end of period	**236 953**	**240 006**	**236 953**

Statement XXXI (concluded)

United Nations Peace Forces (UNPF)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	40	101
Cash pool d/	85 202	69 004
Assessed contributions receivable from Member States b/	149 356	149 518
Accounts receivable from Member States e/	127 384	127 384
Inter-fund balances receivable	5 530	1 236
Due from MINURCA	250	250
Due from UNMIK	-	20 000
Due from MINURSO	11 000	9 000
Total assets	**378 762**	**376 493**
Liabilities		
Contributions or payments received in advance	-	12
Accounts payable to Member States	11 376	11 577
Other accounts payable	-	571
Deferred credits e/	127 380	127 380
Total liabilities	**138 756**	**139 540**
Reserves and fund balances		
Surplus to be transferred f/	29 638	29 638
Cumulative surplus	210 368	207 315
Total reserves and fund balances	**240 006**	**236 953**
Total liabilities and reserves and fund balances	**378 762**	**376 493**

a/ See notes 2 and 3.

b/ Includes assessed contributions unpaid irrespective of collectability.

c/ Represents prior-period expenditures related to United Nations Volunteers of $146,000, death and disability claims of $116,000 and bank charges of $1,060.

d/ Represents share of the cash pool and comprises cash and term deposits of $13,415,458, short-term investments of $46,377,857 (market value $46,377,857), long-term investments of $24,809,895 (market value $24,486,161) and accrued interest receivable of $598,910.

e/ In accordance with General Assembly resolution 51/12 A of 4 November 1996, includes expenditures totaling $127,379,954 which are reimbursed by Member States as detailed in the report of the Secretary-General (A/54/803). The equivalent amount is also included in deferred credits.

f/ Under the terms of General Assembly resolution 56/292 of 27 June 2002, $29,638,243 will be returned to Member States once their assessment for strategic deployment stocks is settled.

The accompanying notes are an integral part of the financial statements.

Statement XXXII

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA) a/

Statement of income and expenditure and changes in reserves and fund balances
for the period from 15 February 1997 to 31 May 1997 as at 30 June 2006

(Thousands of United States dollars)

	Period		
	15 February 1997 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	4 000	-	-
Interest income	43	1	-
Other/miscellaneous income	83	-	-
Total income	**4 126**	**1**	**-**
Total expenditure	**3 946**	-	-
Excess (shortfall) of income over expenditure	**180**	**1**	**-**
Prior-period adjustments c/	(8)	-	-
Net excess (shortfall) of income over expenditure	**172**	**1**	**-**
Savings on or cancellation of prior-period obligations	138	-	-
Credits returned to Member States	(292)	-	-
Reserves and fund balances, beginning of period	-	18	18
Reserves and fund balances, end of period	**18**	**19**	**18**

Statement XXXII (concluded)

Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	1	34
Cash pool c/	34	-
Assessed contributions receivable from Member States b/	147	147
Total assets	**182**	**181**
Liabilities		
Contributions or payments received in advance	-	1
Accounts payable to Member States	-	1
Inter-fund balances payable	163	161
Total liabilities	**163**	**163**
Reserves and fund balances		
Authorized retained surplus d/	18	18
Cumulative surplus	1	-
Total reserves and fund balances	**19**	**18**
Total liabilities and reserves and fund balances	**182**	**181**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $5,312, short-term investments of $18,363 (market value $18,363), long-term investments of $9,824 (market value $9,695) and accrued interest receivable of $237.

d/ See note 8.

The accompanying notes are an integral part of the financial statements.

Statement XXXIII

United Nations Mission in Haiti (UNMIH) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 23 September 1993 to 31 July 1996 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	23 September 1993 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	357 541	-	-
Voluntary contributions	1	-	-
Interest income	34 543	1 553	649
Other/miscellaneous income	3 022	-	-
Total income	**395 107**	**1 553**	**649**
Total expenditure	**306 156**	**-**	**-**
Excess (shortfall) of income over expenditure	**88 951**	**1 553**	**649**
Prior-period adjustments c/	(1 076)	(595)	(16)
Net excess (shortfall) of income over expenditure	**87 875**	**958**	**633**
Savings on or cancellation of prior-period obligations	34 801	-	-
Credits returned to Member States	(54 765)	-	-
Transfer to other funds	(25 815)	-	-
Other adjustments to reserves and fund balances	22	-	-
Reserves and fund balances, beginning of period	-	42 118	41 485
Reserves and fund balances, end of period	**42 118**	**43 076**	**42 118**

Statement XXXIII (concluded)

United Nations Mission in Haiti (UNMIH)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	34	38
Cash pool d/	45 524	43 892
Assessed contributions receivable from Member States b/	211	221
Accounts receivable from Member States	5	5
Due from MIPONUH	9 366	9 366
Due from MINURCA	3 200	3 200
Inter-fund balances receivable	-	84
Total assets	**58 340**	**56 806**
Liabilities		
Contributions or payments received in advance	-	9
Accounts payable to Member States	14 646	14 679
Inter-fund balances payable	618	-
Total liabilities	**15 264**	**14 688**
Reserves and fund balances		
Surplus to be transferred e/	14 112	14 112
Cumulative surplus	28 964	28 006
Total reserves and fund balances	**43 076**	**42 118**
Total liabilities and reserves and fund balances	**58 340**	**56 806**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents prior-period expenditures related to United Nations Volunteers of $593,990 and bank charges of $822.

d/ Represents share of the cash pool and comprises cash and term deposits of $7,167,866, short-term investments of $24,779,644 (market value $24,779,644), long-term investments of $13,255,903 (market value $13,082,932) and accrued interest receivable of $319,997.

e/ Under the terms of General Assembly resolution 56/292 of 27 June 2002, $14,111,772 will be returned to Member States once their assessment for strategic deployment stocks is settled.

The accompanying notes are an integral part of the financial statements.

Statement XXXIV

United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR) a/

Statement of income and expenditure and changes in reserves and fund balances
for the period from 22 June 1993 to 19 April 1996 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	22 June 1993 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	512 318	-	-
Voluntary contributions	477	-	-
Interest income	20 667	802	347
Other/miscellaneous income	6 979	-	-
Total income	**540 441**	**802**	**347**
Total expenditure	**435 657**	**-**	**-**
Excess (shortfall) of income over expenditure	**104 784**	**802**	**347**
Prior-period adjustments c/	(26 788)	(243)	(97)
Net excess (shortfall) of income over expenditure	**77 996**	**559**	**250**
Savings on or cancellation of prior-period obligations	20 919	-	-
Credits returned to Member States	(37 111)	-	-
Transfer to other funds	(38 068)	-	-
Reserves and fund balances, beginning of period	-	23 736	23 486
Reserves and fund balances, end of period	**23 736**	**24 295**	**23 736**

Statement XXXIV (concluded)

United Nations Assistance Mission for Rwanda (UNAMIR) and United Nations Observer Mission Uganda-Rwanda (UNOMUR)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	17	94
Cash pool d/	26 870	19 961
Assessed contributions receivable from Member States b/	1 686	7 633
Inter-fund balances receivable	-	123
Total assets	**28 573**	**27 811**
Liabilities		
Contributions or payments received in advance	-	6
Accounts payable to Member States	3 937	4 069
Inter-fund balances payable	341	-
Total liabilities	**4 278**	**4 075**
Reserves and fund balances		
Cumulative surplus	24 295	23 736
Total reserves and fund balances	**24 295**	**23 736**
Total liabilities and reserves and fund balances	**28 573**	**27 811**

a/ In accordance with Security Council resolution 846 (1993) of 22 June 1993, the accounts of UNAMIR and UNOMUR were consolidated with effect from 23 December 1993. See also notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents prior-period expenditures related to United Nations Volunteers of $239,040, a death and disability claim of $4,000 and bank charges of $815.

d/ Represents share of the cash pool and comprises cash and term deposits of $4,230,861, short-term investments of $14,626,280 (market value $14,626,280), long-term investments of $7,824,347 (market value $7,722,251) and accrued interest receivable of $188,880.

The accompanying notes are an integral part of the financial statements.

Statement XXXV

United Nations Observer Mission in El Salvador (ONUSAL) a/

Statement of income and expenditure and changes in reserves and fund balances
for the period from 7 November 1989 to 31 May 1995 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	7 November 1989 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	238 987	-	-
Voluntary contributions	1 641	-	-
Interest income	4 490	166	82
Other/miscellaneous income	2 607	5	-
Total income	**247 725**	**171**	**82**
Total expenditure	**199 484**	**-**	**-**
Excess (shortfall) of income over expenditure	**48 241**	**171**	**82**
Prior-period adjustments	(1 036)	(3)	-
Net excess (shortfall) of income over expenditure	**47 205**	**168**	**82**
Savings on or cancellation of prior-period obligations	5 176	-	-
Credits returned to Member States	(48 868)	-	-
Transfer to Peacekeeping Reserve Fund	(258)	-	-
Reserves and fund balances, beginning of period	-	3 255	3 173
Reserves and fund balances, end of period	**3 255**	**3 423**	**3 255**

United Nations Observer Mission in El Salvador (ONUSAL)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	-	50
Cash pool c/	4 877	4 618
Assessed contributions receivable from Member States b/	2 099	2 102
Inter-fund balances receivable	-	49
Total assets	**6 976**	**6 819**
Liabilities		
Contributions or payments received in advance	-	8
Accounts payable to Member States	3 520	3 556
Inter-fund balances payable	33	-
Total liabilities	**3 553**	**3 564**
Reserves and fund balances		
Cumulative surplus	3 423	3 255
Total reserves and fund balances	**3 423**	**3 255**
Total liabilities and reserves and fund balances	**6 976**	**6 819**

a/ In accordance with General Assembly resolution 47/223 of 16 March 1993, the operations of ONUCA have been incorporated into ONUSAL. See also notes 2 and 3.

b/ Include unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $767,911, short-term investments of $2,654,702 (market value $2,654,702), long-term investments of $1,420,136 (market value $1,401,606) and accrued interest receivable of $34,282.

The accompanying notes are an integral part of the financial statements.

Statement XXXVI

United Nations Operation in Mozambique (ONUMOZ) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 15 October 1992 to 31 March 1995 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	15 October 1992 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	561 098	-	-
Interest income	8 012	20	4
Other/miscellaneous income	4 334	-	-
Total income	**573 444**	**20**	**4**
Total expenditure	**492 556**	**-**	**-**
Excess (shortfall) of income over expenditure	**80 888**	**20**	**4**
Prior-period adjustments	(9 566)	(1)	(1)
Net excess (shortfall) of income over expenditure	**71 322**	**19**	**3**
Savings on or cancellation of prior-period obligations	24 501	-	-
Credits returned to Member States	(78 242)	-	-
Reserves and fund balances, beginning of period	-	17 581	17 578
Reserves and fund balances, end of period	**17 581**	**17 600**	**17 581**

Statement XXXVI (concluded)

United Nations Operation in Mozambique (ONUMOZ)

Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	36	55
Cash pool c/	616	371
Assessed contributions receivable from Member States b/	18 239	18 328
Inter-fund balances receivable	-	122
Other accounts receivable	1	1
Total assets	**18 892**	**18 877**
Liabilities		
Contributions or payments received in advance	-	4
Accounts payable to Member States	1 241	1 292
Inter-fund balances payable	51	-
Total liabilities	**1 292**	**1 296**
Reserves and fund balances		
Authorized retained surplus d/	17 208	17 208
Cumulative surplus	392	373
Total reserves and fund balances	**17 600**	**17 581**
Total liabilities and reserves and fund balances	**18 892**	**18 877**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $97,060, short-term investments of $335,539 (market value $335,539), long-term investments of $179,497 (market value $177,155) and accrued interest receivable of $4,333.

d/ See note 8.

The accompanying notes are an integral part of the financial statements.

Statement XXXVII

United Nations Operation in Somalia (UNOSOM) a/

Statement of income and expenditure and changes in reserves and fund balances for the period from 1 May 1992 to 28 February 1995 as at 30 June 2006

(Thousands of United States dollars)

	Period		
	1 May 1992 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	1 738 202	-	-
Funding from reserves and fund balances	19 616	-	-
Interest income	9 536	95	41
Other/miscellaneous income	7 070	6	-
Total income	**1 774 424**	**101**	**41**
Total expenditure	**1 668 175**	-	-
Excess (shortfall) of income over expenditure	**106 249**	**101**	**41**
Prior-period adjustments	(9 102)	-	(36)
Net excess (shortfall) of income over expenditure	**97 147**	**101**	**5**
Savings on or cancellation of prior-period obligations	48 789	-	90
Credits returned to Member States	(83 930)	-	-
Transfer from other funds	103	-	-
Transfer from reserves and fund balances	(19 616)	-	-
Reserves and fund balances, beginning of period	-	42 493	42 398
Reserves and fund balances, end of period	**42 493**	**42 594**	**42 493**

Statement XXXVII (concluded)

United Nations Operation in Somalia (UNOSOM)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	46	45
Cash pool c/	2 854	2 345
Assessed contributions receivable from Member States b/	59 398	59 437
Inter-fund balances receivable	15	388
Deferred charges	25	25
Total assets	**62 338**	**62 240**
Liabilities		
Contributions or payments received in advance	-	1
Accounts payable to Member States	19 744	19 746
Total liabilities	**19 744**	**19 747**
Reserves and fund balances		
Authorised retained surplus d/	37 563	37 563
Cumulative surplus	5 031	4 930
Total reserves and fund balances	**42 594**	**42 493**
Total liabilities and reserves and fund balances	**62 338**	**62 240**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $449,438, short-term investments of $1,553,729 (market value $1,553,729), long-term investments of $831,169 (market value $820,323) and accrued interest receivable of $20,064.

d/ See note 8.

The accompanying notes are an integral part of the financial statements.

Statement XXXVIII

United Nations Military Liaison Team in Cambodia (UNMLT) a/
Statement of income and expenditure and changes in reserves and fund balances
for the period from 15 November 1993 to 15 November 1994 as at 30 June 2006
(Thousands of United States dollars)

		Period	
	15 November 1993 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	910	-	-
Interest income	97	8	4
Other/miscellaneous income	91	-	-
Total income	**1 098**	**8**	**4**
Total expenditure	**587**	**-**	**-**
Excess (shortfall) of income over expenditure	**511**	**8**	**4**
Prior-period adjustments	(10)	(1)	(1)
Net excess (shortfall) of income over expenditure	**501**	**7**	**3**
Savings on or cancellation of prior-period obligations	5	-	-
Credits returned to Member States	(375)	-	-
Reserves and fund balances, beginning of period	-	131	128
Reserves and fund balances, end of period	**131**	**138**	**131**

Statement XXXVIII (concluded)

United Nations Military Liaison Team in Cambodia (UNMLT)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	24	22
Cash pool c/	212	205
Assessed contributions receivable from Member States b/	10	13
Total assets	**246**	**240**
Liabilities		
Contributions or payments received in advance	-	1
Accounts payable to Member States	108	108
Total liabilities	**108**	**109**
Reserves and fund balances		
Cumulative surplus	138	131
Total reserves and fund balances	**138**	**131**
Total liabilities and reserves and fund balances	**246**	**240**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $33,382, short-term investments of $115,401 (market value $115,401), long-term investments of $61,734 (market value $60,929) and accrued interest receivable of $1,490.

The accompanying notes are an integral part of the financial statements.

Statement XXXIX

United Nations Transitional Authority in Cambodia (UNTAC) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 November 1991 to 31 March 1994 as at 30 June 2006

(Thousands of United States dollars)

		Period	
	1 November 1991 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	1 599 916	-	-
Voluntary contributions	9 493	-	-
Interest income	7 496	13	3
Other/miscellaneous income	6 343	70	2
Total income	**1 623 248**	**83**	**5**
Total expenditure	**1 640 831**	**-**	**-**
Excess (shortfall) of income over expenditure	**(17 583)**	**83**	**5**
Prior-period adjustments	(729)	(1)	3
Net excess (shortfall) of income over expenditure	**(18 312)**	**82**	**8**
Savings on or cancellation of prior-period obligations	28 435	-	-
Credits returned to Member States	(8 743)	-	-
Reserves and fund balances, beginning of period	-	1 380	1 372
Reserves and fund balances, end of period	**1 380**	**1 462**	**1 380**

Statement XXXIX (concluded)

United Nations Transitional Authority in Cambodia (UNTAC)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Cash and term deposits	39	83
Cash pool c/	501	19
Assessed contributions receivable from Member States b/	41 779	41 822
Accounts receivable from Member States	20	41
Inter-fund balances receivable	-	353
Total assets	**42 339**	**42 318**
Liabilities		
Contributions or payments received in advance	-	9
Accounts payable to Member States	40 846	40 867
Other accounts payable	-	20
Inter-fund balances payable	10	-
Deferred credits	21	42
Total liabilities	**40 877**	**40 938**
Reserves and fund balances		
Authorized retained surplus d/	818	818
Cumulative surplus	644	562
Total reserves and fund balances	**1 462**	**1 380**
Total liabilities and reserves and fund balances	**42 339**	**42 318**

a/ The special account for UNAMIC has been consolidated into the special account for UNTAC. See also notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $78,832, short-term investments of $272,524 (market value $272,524), long-term investments of $145,787 (market value $143,885) and accrued interest receivable of $3,520.

d/ See note 8.

The accompanying notes are an integral part of the financial statements.

Statement XL

United Nations Transition Assistance Group (UNTAG) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 1 April 1988 to 30 June 1991 as at 30 June 2006

(Thousands of United States dollars)

	Period		
	1 April 1988 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	416 162	-	-
Voluntary contributions	23 736	-	-
Interest income	47 022	675	351
Other/miscellaneous income	13 387	-	-
Total income	**500 307**	**675**	**351**
Total expenditure	**374 185**	**-**	**-**
Excess (shortfall) of income over expenditure	**126 122**	**675**	**351**
Prior-period adjustments	(582)	(1)	(1)
Net excess (shortfall) of income over expenditure	**125 540**	**674**	**350**
Savings on or cancellation of prior-period obligations	32 016	-	-
Credits returned to Member States	(105 880)	-	-
Transfer to Peacekeeping Reserve Fund	(49 243)	-	-
Reserves and fund balances, beginning of period	-	2 433	2 083
Reserves and fund balances, end of period	**2 433**	**3 107**	**2 433**

United Nations Transition Assistance Group (UNTAG)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	10	39
Cash pool c/	19 717	19 024
Assessed contributions receivable from Member States b/	24	24
Inter-fund balances receivable	-	67
Total assets	**19 751**	**19 154**
Liabilities		
Contributions or payments received in advance	-	1
Accounts payable to Member States	16 483	16 720
Inter-fund balances payable	161	-
Total liabilities	**16 644**	**16 721**
Reserves and fund balances		
Cumulative surplus	3 107	2 433
Total reserves and fund balances	**3 107**	**2 433**
Total liabilities and reserves and fund balances	**19 751**	**19 154**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $3,104,489, short-term investments of $10,732,363 (market value $10,732,363), long-term investments of $5,741,292 (market value $5,666,376) and accrued interest receivable of $138,595.

The accompanying notes are an integral part of the financial statements.

Statement XLI

United Nations Iran-Iraq Military Observer Group (UNIIMOG) a/

Statement of income and expenditure and changes in reserves and fund balances
for the period from 9 August 1988 to 31 March 1991 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	9 August 1988 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	199 113	-	-
Voluntary contributions	14 715	-	-
Interest income	12 769	153	72
Other/miscellaneous income	12 054	-	-
Total income	**238 651**	**153**	**72**
Total expenditure	**177 895**	**-**	**-**
Excess (shortfall) of income over expenditure	**60 756**	**153**	**72**
Prior-period adjustments	223	-	(1)
Net excess (shortfall) of income over expenditure	**60 979**	**153**	**71**
Savings on or cancellation of prior-period obligations	4 997	-	-
Credits returned to Member States	(43 484)	-	-
Transfer to Peacekeeping Reserve Fund	(18 156)	-	-
Reserves and fund balances, beginning of period		4 336	4 265
Reserves and fund balances, end of period	**4 336**	**4 489**	**4 336**

Statement XLI (concluded)

United Nations Iran-Iraq Military Observer Group (UNIIMOG)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	*2005*
Assets		
Cash and term deposits	50	57
Cash pool c/	4 431	4 273
Assessed contributions receivable from Member States b/	18	18
Total assets	**4 499**	**4 348**
Liabilities		
Contributions or payments received in advance	-	8
Accounts payable to Member States	1	4
Inter-fund balances payable	9	-
Total liabilities	**10**	**12**
Reserves and fund balances		
Cumulative surplus	4 489	4 336
Total reserves and fund balances	**4 489**	**4 336**
Total liabilities and reserves and fund balances	**4 499**	**4 348**

a/ See notes 2 and 3.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents share of the cash pool and comprises cash and term deposits of $697,692, short-term investments of $2,411,952 (market value $2,411,952), long-term investments of $1,290,277 (market value $1,273,441) and accrued interest receivable of $31,147.

The accompanying notes are an integral part of the financial statements.

Statement XLII

Special Account for the United Nations Emergency Force (UNEF) 1956 a/

Statement of income and expenditure and changes in reserves and fund balances
for the period from 5 November 1956 to 30 June 1967 as at 30 June 2006
(Thousands of United States dollars)

	Period		
	5 November 1956 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	166 375	-	-
Voluntary contributions	28 086	-	-
Proceeds from sale of United Nations bonds	19 207	-	-
Appropriated from United Nations Special Account	3 911	-	-
Miscellaneous, and savings in liquidating obligations and adjustments c/	4 683	(1 018)	(406)
Total income	**222 262**	**(1 018)**	**(406)**
Total expenditure	**215 540**	**-**	**-**
Net excess (shortfall) of income over expenditure	**6 722**	**(1 018)**	**(406)**
Reserves and fund balances, beginning of period	-	6 722	7 128
Reserves and fund balances, end of period	**6 722**	**5 704**	**6 722**

Statement XLII (concluded)

Special Account for the United Nations Emergency Force (UNEF) 1956
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006

(Thousands of United States dollars)

	2006	2005
Assets		
Unpaid assessed contributions b/	42 627	42 627
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	5 275	5 275
Excess of authorised expenditures over assessments and applied contributions	876	876
Inter-fund balances receivable	81	81
Total assets	**48 859**	**48 859**
Liabilities		
Accounts payable to Member States	21 612	20 594
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	465	465
Special account for voluntary contributions to finance unassessed appropriations - to the credit of contributing Member States	614	614
Assessed on economically developed countries to meet reserve requirements d/	10 415	10 415
Due to United Nations Special Account	1 932	1 932
Due to United Nations Bond Account	8 117	8 117
Total liabilities	**43 155**	**42 137**
Reserves and fund balances		
Cumulative surplus	5 704	6 722
Total reserves and fund balances	**5 704**	**6 722**
Total liabilities and reserves and fund balances	**48 859**	**48 859**

a/ See notes 2, 3 and 4.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents loss on exchange from the revaluation of accounts payable expressed in local currency.

d/ For 1965, $3,550,000 pursuant to section II of General Assembly resolution 2115 (XX) of 21 December 1965; for 1966, $3,550,000 pursuant to section III of the resolution; and for 1967, $3,315,000 pursuant to resolution 2194 B (XXI) of 16 December 1966.

The accompanying notes are an integral part of the financial statements.

Statement XLIII

Ad Hoc Account for the United Nations Operation in the Congo (ONUC) a/
Statement of income and expenditure and changes in reserves and fund balances for the period from 14 July 1960 to 30 June 1964 as at 30 June 2006

(Thousands of United States dollars)

	Period		
	14 July 1960 to 30 June 2005	*1 July 2005 to 30 June 2006*	*1 July 2004 to 30 June 2005*
Income			
Assessed contributions b/	241 549	-	-
Voluntary contributions	36 193	-	-
Proceeds from the sale of United Nations bonds	110 726	-	-
Investment income	89	-	-
Miscellaneous, and savings in liquidating obligations and adjustments c/	45 592	(71)	103
Total income	**434 149**	**(71)**	**103**
Total expenditure	**397 437**	**-**	**-**
Net excess (shortfall) of income over expenditure	**36 712**	**(71)**	**103**
Reserves and fund balances, beginning of period	-	36 712	36 609
Reserves and fund balances, end of period	**36 712**	**36 641**	**36 712**

Statement XLIII (concluded)

Ad Hoc Account for the United Nations Operation in the Congo (ONUC)
Statement of assets, liabilities and reserves and fund balances as at 30 June 2006
(Thousands of United States dollars)

	2006	2005
Assets		
Unpaid assessed contributions b/	73 892	73 892
Special account for unpaid assessed contributions pursuant to General Assembly resolution 3049 C (XXVII)	6 687	6 687
Excess of authorized expenditures over assessments and applied voluntary contributions d/	1 973	1 973
Inter-fund balances receivable	914	914
Total assets	83 466	83 466
Liabilities		
Accounts payable to Member States	7 082	7 011
Member States' credits for staff assessment income not required to meet the cost of income tax refunds (non-United States share)	855	855
Special account for voluntary contributions to finance unassessed appropriations - to the credit of contributing Member States	1 560	1 560
Due to United Nations Special Account	1 397	1 397
Due to United Nations Bond Account	35 931	35 931
Total liabilities	46 825	46 754
Reserves and fund balances		
Cumulative surplus	36 641	36 712
Total reserves and fund balances	36 641	36 712
Total liabilities and reserves and fund balances	83 466	83 466

a/ See notes 2, 3 and 4.

b/ Includes unpaid assessed contributions irrespective of collectability.

c/ Represents loss on exchange from the revaluation of accounts payable expressed in local currency.

d/ For 1961, $268,455; for the second half of 1963, $1,118,712; and for the first half of 1964, $585,899.

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements for peacekeeping operations for the period from 1 July 2005 to 30 June 2006

Note 1
The United Nations and its activities

(a) The Charter of the United Nations was signed on 26 June 1945 and came into force on 24 October 1945. The Organization's primary objectives, to be implemented through its five major organs, are as follows:

(i) The maintenance of international peace and security;

(ii) The promotion of international economic and social progress and development programmes;

(iii) The universal observance of human rights;

(iv) The administration of international justice and law;

(v) The development of self-government for Trust Territories;

(b) The General Assembly focuses on a wide range of political, economic and social issues as well as the financial and administrative aspects of the Organization;

(c) Under the direction of the Security Council, the Organization has been involved in various aspects of peacekeeping and peacemaking, including efforts to resolve conflicts, restore democracy, promote disarmament, provide electoral assistance, facilitate post-conflict peacebuilding, engage in humanitarian activities to ensure the survival of groups deprived of basic needs and oversee the prosecution of persons responsible for serious violations of international humanitarian law;

(d) The Economic and Social Council plays a particular role in economic and social development, including a major oversight role in the efforts of other organizations of the United Nations system to address international economic, social and health problems;

(e) The International Court of Justice has jurisdiction over disputes between Member States brought before it for advisory opinions or binding resolutions;

(f) The Trusteeship Council completed its primary functions in 1994 with the termination of the Trusteeship Agreement for the last United Nations Trust Territory.

Note 2
Summary of significant accounting and financial reporting policies of the United Nations

(a) The accounts of the United Nations are maintained in accordance with the Financial Regulations and Rules of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations and administrative instructions issued by the Under-Secretary-General for Management or the Controller. They also take fully into account the United Nations System Accounting Standards, as adopted by the former Administrative Committee on Coordination, which has since been replaced by the United Nations System Chief Executives Board for Coordination (CEB). The

Organization follows International Accounting Standard 1, "Presentation of Financial Statements", on the disclosure of accounting policies, as modified and adopted by the Chief Executives Board for Coordination as follows:

(i) Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If a fundamental accounting assumption is not followed, that fact should be disclosed together with the reasons;

(ii) Prudence, substance over form and materiality should govern the selection and application of accounting policies;

(iii) Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;

(iv) The disclosure of the significant accounting policies used should be an integral part of the financial statements. The policies should normally be disclosed in one place;

(v) Financial statements should show comparative figures for the corresponding period of the preceding financial period;

(vi) A change in an accounting policy that has a material effect in the current period or may have a material effect in subsequent periods should be disclosed together with the reasons. The effect of the change should, if material, be disclosed and quantified;

(b) The Organization's accounts are maintained on a fund accounting basis. Separate funds for general or special purposes may be established by the General Assembly, the Security Council or the Secretary-General. Each fund is maintained as a distinct financial and accounting entity with a separate self-balancing, double-entry group of accounts. Separate financial statements are prepared for each fund or for a group of funds of the same nature;

(c) The financial period for peacekeeping operations is one year from 1 July to 30 June. The financial period of the Organization for all other funds is a biennium and consists of two consecutive calendar years;

(d) Generally, income, expenditure, assets and liabilities are recognized on the accrual basis of accounting. For assessed income, the policy set out in paragraph (j) (ii) below applies;

(e) The accounts of the Organization are presented in United States dollars. Accounts maintained in other currencies are translated into United States dollars at the time of the transactions at rates of exchange established by the United Nations. In respect of such currencies, the financial statements shall reflect the cash, investments, unpaid pledges and current accounts receivable and payable in currencies other than the United States dollar translated at the applicable United Nations rates of exchange in effect as at the date of the statements. In the event that the application of actual exchange rates at the date of the statements would provide a valuation materially different from the application of the Organization's rates of exchange for the last month of the financial period, a footnote will be provided quantifying the difference;

(f) The Organization's financial statements are prepared on the historical cost basis of accounting and are not adjusted to reflect the effects of changing prices for goods and services;

(g) The cash flow statement is based on the indirect method of determining cash flow, as referred to in the United Nations System Accounting Standards;

(h) The Organization's financial statements are presented in accordance with the ongoing recommendations of the Task Force on Accounting Standards to CEB;

(i) The results of the Organization's operations presented in statements I, II and III are shown at a summary level by general type of activity as well as on a combined basis after the elimination of all inter-fund balances and instances of double-counting of income and expenditure. Their presentation on a combined basis does not imply that the various separate funds can be intermingled in any way, since, normally, resources may not be utilized between funds;

(j) Income:

(i) Amounts necessary to finance the activities of peacekeeping operations are assessed on Member States in accordance with the scale of assessments determined by the General Assembly;

(ii) Income is recognized when an assessment on Member States has been authorized by the General Assembly. Neither appropriations nor spending authorities are recognized as income except to the extent that a matching assessment on Member States has been levied;

(iii) Amounts assessed on non-Member States that agree to pay reimbursement of costs for their participation in the United Nations treaty bodies, organs and conferences are credited to miscellaneous income;

(iv) Voluntary contributions from Member States or other donors are recorded as income on the basis of a written commitment to pay monetary contributions at specified times within the current financial period. Voluntary contributions made in the form of services and supplies that are acceptable to the Secretary-General are credited to income or noted in the financial statements;

(v) Allocations from other funds represent monies appropriated or designated from one fund for transfer to and disbursement from another fund;

(vi) Income for services rendered includes amounts charged for salaries of staff members and other costs that are attributable to the provision of technical and administrative support to other organizations;

(vii) Interest income includes all interest earned on deposits in various bank accounts and investment income earned on the cash pool. All realized losses and net unrealized losses on short-term investments in the cash pool are offset against investment income. Investment income and costs associated with operation of investments in the cash pool are allocated to participating funds;

(viii) Miscellaneous income includes income from rental of premises, sale of used or surplus property, refunds of expenditures charged to prior periods, income from net gains resulting from currency exchange adjustments except for those arising from revaluation of current period obligations as stated in paragraph (k) (i) below, settlements of insurance claims, amounts assessed on

new Member States for the year of admission to the United Nations, amounts assessed on non-Member States as stated in paragraph (j) (iii) above, monies accepted for which no purpose was specified and other sundry income;

(ix) Income relating to future financial periods is not recognized in the current financial period and is recorded as deferred credits as referred to in paragraph (m) (iii) below;

(k) Expenditure:

(i) Expenditures are incurred against authorized appropriations or commitment authorities. Total expenditures reported include unliquidated obligations and disbursements. Expenditures also include currency exchange adjustments arising from revaluation of current-period obligations;

(ii) Expenditures incurred for non-expendable property are charged to the budget of the period when the property is acquired and are not capitalized. The inventory of such non-expendable property is maintained at historical cost;

(iii) Expenditures for future financial periods are not charged to the current financial period and are recorded as deferred charges, as referred to in paragraph (l) (v) below;

(l) Assets:

(i) Cash and term deposits represent funds in demand deposit accounts and interest-bearing bank deposits;

(ii) The cash pool comprises participating funds' share of the cash and term deposits, short-term and long-term investments and accrual of investment income, all of which are managed in the cash pool. The investments in the cash pool are similar in nature. Short-term investments are stated at cost or market value, whichever is lower; long-term investments are stated at cost. Cost is defined as the nominal value plus or minus any unamortized premium or discount. The share in the cash pool is reported separately in each of the participating fund's statement, and its composition and the market value of its investments are disclosed in the footnotes to the individual statements;

(iii) Assessed contributions represent legal obligations of contributors, and therefore the balances of unpaid assessed contributions due from Member States are reported irrespective of collectability. It is the policy of the United Nations not to make provision for delays in collection of such assessments;

(iv) Inter-fund balances reflect transactions between funds, and are included in the amounts due to and from the General Fund. Inter-fund balances also reflect transactions directly with the General Fund. Inter-fund balances are settled periodically, depending upon the availability of cash resources;

(v) Deferred charges normally comprise expenditure items that are not properly chargeable to the current financial period. They will be charged as expenditure in a subsequent period. These expenditure items include commitments approved by the Controller for future financial periods in accordance with financial rule 106.7. Such commitments are normally restricted to administrative requirements of a continuing nature and to contracts or legal obligations where long lead times are required for delivery;

(vi) For purposes of the balance sheet statements only, those portions of education grant advances that are assumed to pertain to the scholastic years completed as at the date of the financial statement are shown as deferred charges. The full amounts of the advances are maintained as accounts receivable from staff members until the required proofs of entitlement are produced, at which time the budgetary accounts are charged and the advances are settled;

(vii) Maintenance and repairs of capital assets are charged against the appropriate budgetary accounts. Furniture, equipment, other non-expendable property and leasehold improvements are not included in the assets of the Organization. Such acquisitions are charged against budgetary accounts in the year of purchase. The value of non-expendable property is disclosed in notes to the financial statements;

(m) Liabilities and reserves and fund balances:

(i) Operating and other types of reserves are included in the totals for reserves and fund balances shown in the financial statements;

(ii) Unliquidated obligations for future years are reported both as deferred charges and as unliquidated obligations;

(iii) Deferred credits include income received for future periods and income received but not yet earned;

(iv) Commitments of the Organization relating to prior, current and future financial periods are shown as unliquidated obligations. Current-period obligations related to peacekeeping operations remain valid for 12 months following the end of the financial period to which they relate. As per financial regulation 5.5, unliquidated obligations of peacekeeping operations owed to Governments may be retained for an additional period of four years beyond the 12-month period provided for in financial regulation 5.3;

(v) Contingent liabilities, if any, are disclosed in notes to the financial statements;

(vi) The United Nations is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Pension Fund is a funded defined benefit plan. The financial obligation of the Organization to the Pension Fund consists of its mandated contribution at the rate established by the General Assembly together with its share of any actuarial deficiency payments under article 26 of the Regulations of the Pension Fund. Such deficiency payments are payable only if and when the General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Pension Fund as at the valuation date. As at the date of the current financial statement, the General Assembly has not invoked this provision.

Note 3
Accounting policies for peacekeeping operations

The accounts for the peacekeeping operations have been maintained in accordance with the provisions of the Financial Regulations and Rules of the United Nations, with due regard for the following:

(a) Financial regulation 1.2, which states that the financial period of peacekeeping operations with special accounts shall be one year, from 1 July to 30 June;

(b) Financial regulation 6.5, which states that the annual accounts for peacekeeping operations with special accounts shall be submitted by the Secretary-General to the Board of Auditors no later than 30 September each year;

(c) Financial regulation 5.5, which states that obligations to Governments for troops, formed police units, logistical support and other goods supplied and services rendered to peacekeeping operations shall be retained beyond the 12-month period provided for in financial regulation 5.3 if the requisite claims are not received or processed during the financial period to which they pertain. Those obligations shall remain valid for an additional period of four years following the end of the 12-month period provided in financial regulation 5.3. At the end of the additional four-year period any unliquidated obligations shall be cancelled and the remaining balance of any appropriations retained shall be surrendered;

(d) Voluntary contributions:

(i) General provisions:

a. Voluntary contributions in cash shall be considered income to be credited to the special account of the peacekeeping operation;

b. Voluntary contributions in kind in the form of supplies and services shall be recorded as income under the heading "Voluntary contributions" at the time of delivery of supplies or commencement of services, provided budgetary provision for such supplies or services was made. In case there was no budgetary provision, no accounting entry shall be made, but the amount of the contribution shall be reflected in a footnote to the financial statements. Cost of facilities provided under an agreement with a Member State in whose country a peacekeeping operation is located is excluded from the determination of voluntary contributions;

(ii) UNFICYP accounts:

a. Prior to 16 June 1993, the Secretary-General was not authorized to utilize any funds other than the voluntary contributions pledged by Member States for the financing of UNFICYP. The recording of obligations for the period prior to 16 June 1993 was limited to amounts that were within the total of pledged contributions. As a consequence, the full amount of UNFICYP obligations that are payable for the period prior to 16 June 1993 has not been recorded, in particular with respect to reimbursements for extra costs in connection with pay and allowances of contingents and for extra costs in connection with contingent-owned equipment. Such unrecorded obligations for the period prior to 16 June 1993 totalled $202,761,271 and are reflected in footnote e/ to the UNFICYP financial statements (statement IV);

b. The General Assembly decided by resolution 47/236 of 14 September 1993 that beginning on 16 June 1993 the costs of UNFICYP should be treated as expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations. From 16 June 1993 onwards, appropriations and assessments have been raised on the Member States in accordance with relevant General Assembly resolutions;

(e) Peacekeeping Reserve Fund:

By its resolution 47/217 of 23 December 1992, the General Assembly established the Peacekeeping Reserve Fund as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peacekeeping operations. The level of the Peacekeeping Reserve Fund was established at $150 million. In accordance with the above cited resolution, $49,242,762 was allocated from unencumbered balances in the special account of the United Nations Transition Assistance Group, $18,156,200 from unencumbered balances in the special account of the United Nations Iran-Iraq Military Observer Group and $82,601,038 from authorized retained savings in the General Fund.

Note 4
Explanatory notes on assessed contributions receivable

Assessed contributions receivable have been recorded in accordance with the Financial Regulations and Rules of the United Nations, the relevant resolutions of the General Assembly and the policy of the United Nations. With reference to the amounts shown as unpaid, certain Member States have indicated that they do not intend to pay some of their assessed contributions or that such contributions will be paid only under certain conditions. Based on United Nations policy as stated in note 2 (l) (iii) above, no provision has been made for delays in the collection of outstanding assessed contributions. With regard to the foregoing, a number of Member States have requested that attention be drawn to their positions (as stated by their delegations at successive sessions of the General Assembly), in particular with respect to the following:

(a) To the extent that the amounts relate to expenditures under the Special Account for UNEF 1956 and under the Ad Hoc Account for ONUC, which, in the view of some Member States, were illegal, they do not consider themselves bound, under the provisions of Article 17 of the Charter of the United Nations, to participate in paying for those expenditures. As a result, withholdings by certain Member States from payments for the financing of UNEF 1956 (statement XLII) and ONUC (statement XLIII) are estimated to be $38.6 million and $70.2 million, respectively. The estimate, which is based on the apportioned shares of the Member States concerned, excludes $5.3 million and $6.7 million in unpaid assessed contributions to UNEF 1956 and ONUC, respectively, by China for the period up to 24 October 1971. Following the adoption by the General Assembly of its resolution 2758 (XXVI), entitled "Restoration of the lawful rights of the People's Republic of China in the United Nations", on 25 October 1971, that amount was transferred to a special account pursuant to General Assembly resolution 3049 C (XXVII) of 19 December 1972;

(b) A Member State has stated that it does not intend to participate in the financing of UNEF 1973 and UNDOF. As a result, withholding by the Member State from payments for the financing of UNEF 1973 and UNDOF is estimated to be $0.1 million, which covers UNEF 1973 until its liquidation in 1979 and UNDOF to 30 June 2006. That amount excludes $36.0 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A of 10 December 1981;

(c) Certain Member States have stated that they do not intend to participate in the financing of UNIFIL. As a result, withholdings by certain Member States from payments for the financing of UNIFIL are estimated to be $4.0 million. That estimate, which is based on the apportioned shares of the Member States concerned from the inception of UNIFIL on 19 March 1978 to 30 June 2006, excludes $19.6 million in unpaid assessed contributions by China for the period from 25 October 1971 to 31 December 1981, which was transferred to a special account pursuant to General Assembly resolution 36/116 A;

(d) Status of unpaid assessed contributions as at 30 June 2006:

Detailed information for each of the separate peacekeeping operations on assessments and collections as at 30 June 2006 and on all outstanding balances due from each Member State is shown in the status of contributions report (ST/ADM/SER.B/695). The report for 30 June 2006 does not reflect any assessments or the application of credits returned to Member States that were approved by the General Assembly in late June. However, the financial statements include such late-June transactions, and the new amounts due become part of the outstanding contributions from Member States shown as at 30 June 2006. As a result, in such cases the amounts shown as contributions outstanding from Member States as at 30 June 2006 in the status of contributions report may be lower or higher than the corresponding amounts included in financial statements as at 30 June 2006.

Note 5
Peacekeeping special account fund summaries: income and expenditure and changes in reserves and fund balances (statement I), assets, liabilities and reserves and fund balances (statement II) and cash flow (statement III)

(a) Statements I, II and III contain financial results for all United Nations peacekeeping funds, which are broken down into three groups of related funds and consolidated into a grand total reflecting all individual peacekeeping accounts of the Organization. This consolidated presentation should not be interpreted to mean that any of the individual funds can be used for any other purpose than that for which it is authorized. The financial results of all peacekeeping operations are summarized in statements I, II and III. These are categorized as all active peacekeeping missions (statements IV-XVIII), the Peacekeeping Reserve Fund (statement XIX), the support account for peacekeeping operations (statement XX), UNLB (statement XXI) and completed peacekeeping missions (statements XXII-XLIII);

(b) To comply with the uniform financial statement formats, statement I includes two calculations of the excess (shortfall) of income relative to expenditure. The first calculation is based on income and expenditure only for the current period.

The second calculation shown is a net one, which includes any prior period adjustments to income or expenditure.

Note 6
United Nations Emergency Force 1973 and United Nations Disengagement Observer Force (statement V)

The General Assembly has on a number of occasions authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNEF and UNDOF to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of General Assembly resolution 50/83 of 15 December 1995, the authorized retained surplus of $64,931,001 was reduced proportionately by a total of $15,321,728 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Under the terms of resolution 53/226 of 8 June 1999, followed by resolutions 54/266 of 15 June 2000 and 55/264 of 14 June 2001, the authorized retained surplus was further reduced by a total of $13,622,162, leaving a balance of $35,987,111 as at 30 June 2006. This equals the amount held in the special account for unpaid assessed contributions pursuant to resolution 36/116 A (see note 4 (b)).

Note 7
United Nations Interim Force in Lebanon (statement VI)

The General Assembly, on a number of occasions, has authorized the temporary suspension of financial regulations 3.2 (b), 3.2 (d), 5.3 and 5.4 in order to allow UNIFIL to retain certain amounts of surplus that otherwise would have been returned to Member States. Under the terms of General Assembly resolution 50/83, those authorized retained surpluses of $108,461,935 were reduced proportionately by a total of $25,583,986 to offset in part the waiver of South Africa's unpaid contributions to various peacekeeping operations for the period from 30 September 1974 to 23 June 1994. Subsequently, under the terms of resolution 58/307 of 18 June 2004, the authorized retained surplus was further reduced by $63,312,709 representing the net accumulated surplus in the account of the Force from 1978 to 1993, leaving a balance of $19,565,240 as at 30 June 2006. This equals the amount held in the special account for unpaid assessed contributions pursuant to resolution 36/116 A (see note 4 (c)).

Note 8
Authorized retained surplus

The General Assembly decided, in its resolution 57/323 of 18 June 2003, to suspend financial regulation 5.5 for certain missions in the light of the cash shortages in those missions. Those missions are the Military Observer Group of MINUGUA (statement XXXII); ONUMOZ (statement XXXVI); UNOSOM (statement XXXVII); UNMIH, UNTMIH and MIPONUH (statement XXXIII); UNTAC (statement XXXIX); and MINURCA (statement XXVI). By its resolution 59/302 of 22 June 2005, the General Assembly postponed the return of the net cash balance available as at 30 June 2004 for UNMIBH (statement XXIII).

Note 9
Surplus to be transferred for strategic deployment stocks

Under the terms of General Assembly resolution 56/292 of 27 June 2002, amounts of $95,978,945 and $45,567,055 were authorized to be transferred from reserves and fund balances of UNPF (statement XXXI) and UNMIH (statement XXXIII), respectively, for strategic deployment stocks to be held in the UNLB account (statement XXI). Member States had the option either to transfer their share in the surpluses directly to UNLB or to have their shares returned to them upon settling a separate assessment for strategic deployment stocks. Some Member States opted to transfer their share in the surpluses directly to UNLB and, accordingly, surpluses of $54,690,848 and $25,815,321 were transferred directly from UNPF and UNMIH, respectively. Some Member States opted to settle a separate assessment for strategic deployment stocks and, accordingly, amounts of $11,649,854 and $5,639,962 from the surpluses of UNPF and UNMIH, respectively, were returned to those Member States. The remaining surpluses of $29,638,243 and $14,111,772 in UNPF and UNMIH, respectively, shall be returned to Member States upon their settlement of the separate assessment for strategic deployment stocks. Currently, $13,581,780 remains outstanding from Member States.

Note 10
Strategic deployment stocks

The General Assembly, in its resolution 56/292, authorized the purchase of strategic deployment stocks. In his report (A/56/870), the Secretary-General stated that once items had been deployed or rotated, the Secretariat would replenish them by charging the replacement costs to the budget of the mission that receives the stocks. In order to account for replenishment of strategic deployment stocks, a separate revolving fund has been established, where all such transactions are recorded. The cumulative surplus at the end of the financial period, which incorporates such items as prior-period savings and timing differences between the recording of income upon transfer and the actual replenishment of strategic deployment stocks, is carried over, to be available in the next financial period.

Note 11
Ageing of assessed contributions receivable

Assessed contributions receivable from Member States have been outstanding for the periods indicated in table V.1 below. On the basis of United Nations policy, no provision is made for delays in collection.

Table V.1
Outstanding contributions receivable

(Thousands of United States dollars)

Time outstanding	*Amount*
Less than six months	**437 455**
Six months to one year	**127 136**
One to two years	**112 138**
Over two years	**594 183**
Total	**1 270 912**

Note 12
Non-expendable property

(a) Table V.2 below shows the value of non-expendable property, at historical cost, at peacekeeping missions, according to the cumulative inventory records of the United Nations as at 30 June 2006. In accordance with United Nations accounting policies, non-expendable property is not included in the assets of the Organization, but is charged against the current appropriations when acquired.

Table V.2
Value of non-expendable property

(Thousands of United States dollars)

Peacekeeping mission	*2006*	*2005*
UNFICYP	**14 871**	**16 081**
UNDOF	**39 811**	**40 090**
UNIFIL	**65 401**	**74 055**
MINURSO	**28 585**	**28 115**
UNOMIG	**21 416**	**21 235**
UNAMSIL	**3 130**	**65 485**
UNMIK	**116 418**	**127 508**
MONUC	**220 187**	**173 089**
UNMISET	**110**	**27 150**
UNMEE	**55 456**	**52 206**
UNMIL	**140 918**	**116 077**
UNOCI	**82 670**	**57 945**
MINUSTAH	**64 240**	**42 503**
ONUB	**55 253**	**40 525**
UNMIS	**169 334**	**48 073**
UNLB	**52 290**	**50 440**
UNLB — strategic deployment stocks	**88 243**	**60 823**
Total	**1 218 333**	**1 041 400**

(b) The movement in non-expendable property is summarized in table V.3 below:

Table V.3
Movement in non-expendable property

(Thousands of United States dollars)

	Amount
Balance as at 1 July 2005	1 041 400
Acquisitions	276 493
Less: write-offs — accidents, thefts and damages	(4 361)
Less: dispositions and other adjustments	(95 199)
Balance as at 30 June 2006	**1 218 333**

Note 13
Liabilities for end-of-service and post-retirement benefits

(a) The United Nations has not specifically recognized in any of its financial accounts liabilities for after-service health insurance costs or the liabilities for other types of end-of-service payments that will be owed when staff members leave the Organization. Such payments are budgeted for in the regular budget and in peacekeeping operations, and the actual costs incurred in each financial period are reported as current expenditures;

(b) Staff members who separate from the Organization are entitled to be paid for any unused vacation days that they may have accrued up to a maximum of 60 days. The Organization's liability for such unpaid accrued vacation compensation in respect of peacekeeping operations is estimated to be between $48 million and $53 million at 30 June 2006.

(c) Some staff members are entitled to repatriation grants and payment of expenditures related to relocation upon their termination from the Organization, based on the number of years of service. The Organization's liability for such unpaid repatriation grant and relocation entitlement in respect of peacekeeping operations is estimated to be between $25 million and $30 million at 30 June 2006.

Annex I

Peacekeeping operations funded by the regular budget: status of appropriations by major object of expenditure for the six-month period of the biennium 2006-2007 ended 30 June 2006

(Thousands of United States dollars)

Programme	*Appropriation*	*Salaries and related costs*	*Travel*	*Operating expenses and supplies*	*Acquisitions*	*All other expenses*	*Total expenditure*	*Unencumbered balance*
Executive direction and management	1 803	386	1	—	—	—	387	1 416
Programme of work	15 336	3 135	41	—	—	—	3 176	12 160
Programme support	1 493	97	—	98	—	34	229	1 264
UNTSO	59 717	10 577	754	927	163	—	12 421	47 296
UNMOGIP	15 742	2 140	364	550	27	—	3 081	12 661
Total	**94 091**	**16 335**	**1 160**	**1 575**	**190**	**34**	**19 294**	**74 797**

Annex II

Activities related to peacekeeping operations funded by trust funds: schedule of income, expenditure, reserves and fund balances for the fiscal year ended 30 June 2006

(Thousands of United States dollars)

Trust fund	*Reserves and fund balances beginning of period*	*Income*	*Expenditures, transfers and adjustments*	*Reserves and fund balances end of period*
Trust Fund for Iraq-Kuwait Border Issues	1 130	891	377	1 644
Trust Fund for the Restoration of Essential Public Services in Sarajevo	17	—	17	—
United Nations Trust Fund for Electoral Observation	1 770	45	1 077	738
Trust Fund in Support of the Delimitation and Demarcation of the Ethiopia-Eritrea Border	5 615	200	69	5 746
Trust Fund to Support the Peace Process in Ethiopia and Eritrea	652	510	119	1 043
Voluntary Fund for the Cambodian Peace Process	4 587	65	4 636	16
Cambodia Trust Fund	2 230	53	1 132	1 151
Trust Fund for Somalia — Unified Command	310	11	—	321
Trust Fund in Support of the Implementation of the Agreement on a Cease-fire and Separation of Forces signed in Moscow on 14 May 1994	760	1 034	446	1 348
Trust Fund for the Police Assistance Programme in Bosnia and Herzegovina	637	23	—	660
Trust Fund to Support United Nations Peacekeeping-Related Efforts in Sierra Leone	371	13	—	384
Trust Fund to Support Public Information and Related Efforts in United Nations Peacekeeping Operations	10	—	—	10
Trust Fund in Support of United Nations Peacemaking and Peacekeeping Activities	33 474	1 204	—	34 678
Trust Fund for Activities Related to Administrative and Budgetary Aspects of Peacekeeping Operations	1	—	—	1
Trust Fund in Support of the Department of Peacekeeping Operations	2 205	3 528	2 838	2 895
Trust Fund to Support the Activities of the United Nations Disengagement Observer Force	139	3	140	2
Trust Fund for the Rapidly Deployable Mission Headquarters	765	29	(32)	826
Trust Fund to Support the Peace Process in the Democratic Republic of Congo	704	387	203	888
Trust Fund to Support the United Nations Interim Administration in Kosovo	1 317	666	1 320	663
Total	**56 694**	**8 662**	**12 342**	**53 014**